THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR
ENDING JUNE 30

1959

UNITED STATES
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INTRODUCTION

Pursuant to the provisions of the Budget and Accounting Act (31 U. S. C. 1–24) and other applicable laws, the budget for the fiscal year 1959 contains the President's recommendations for the work program and financial program of the Government for the 12 months beginning July 1, 1958, and ending June 30, 1959. It also presents comparable information for the fiscal years 1957 (actual) and 1958 (partly actual and partly estimated).

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

ARRANGEMENT OF THE BUDGET

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

In the budget message (pp. M4 through M56), appear the general statement of the President's financial program and an outline of his major recommendations.

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

Part II (pp. 9 through 824) contains the detail of the budget for Federal funds, including various types of tables and schedules, explanatory statements of the work to be performed and the money needed, and the text of the language proposed for enactment by Congress on each item of authorization. Also included is material on a few trust funds which require congressional action. This part of the budget begins with four statements (tables 6 through 9) which supplement the tables of part I. The remainder of part II is arranged in chapters reflecting the organization of the Government.

Part III (pp. 825 through 875) contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds.

Part IV (pp. 877 through 955) contains special analyses of budget data and Federal programs. These analyses supplement material appearing in other parts of the budget. Some of these give details for certain summary figures appearing in part I—for example, a classification of budget receipts by source, and a classification of budget expenditures according to functions and subfunctions. Several of the other special analyses in part IV contain materials which present different groupings or classifications of data.

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

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

EXPLANATORY STATEMENTS

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

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

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

Page 826—Operation of trust and deposit funds covered by part III.

Page 878—Coverage of the special analyses printed in part IV.

Detail will not necessarily add to totals, because of rounding.

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TABLE OF CONTENTS

	Page
Résumé of the Budget	M4
BUDGET MESSAGE OF THE PRESIDENT	M5
Analysis of major programs and budgetary issues	M12
Protection	M13
Major national security	M14
International affairs and finance	M22
Civil benefits	M27
Labor and welfare	M31
Commerce and housing	M37
Veterans services and benefits	M45
Agriculture and agricultural resources	M46
Natural resources	M51
Interest and general government	M52
Interest	M53
General government	M53
PART I. SUMMARY TABLES	1
Table 1. Summary of budget receipts and expenditures	4
Table 2. Summary of budget expenditures (by agency)	5
Table 3. Summary of new obligational authority (by function and agency)	6
Table 4. Summary of changes in status of public debt	7
Table 5. Summary of budget and trust transactions for fiscal year 1959	8
PART II. ESTIMATES FOR FEDERAL FUNDS	9
Table 6. Summary of budget authorizations, obligations, expenditures and balances	13
Table 7. Summary of new obligational authority (by type of authorization and agency)	14
Table 8. Summary of balances available at start of year	16
Table 9. Summary of expenditures of public enterprise funds	18
Legislative branch	19
The Judiciary	47
Executive Office of the President	59
Funds appropriated to the President	69
Independent offices	95
General Services Administration	221
Housing and Home Finance Agency	257
Department of Agriculture	295
Department of Commerce	375
Department of Defense—Military Functions	431
Department of Defense—Civil Functions	521
Department of Health, Education, and Welfare	561
Department of the Interior	623
Department of Justice	707
Department of Labor	725
Post Office Department	745
Department of State	757
Treasury Department	781
District of Columbia	819
PART III. ESTIMATES FOR TRUST FUNDS	825
Table 10. Trust receipts and expenditures	829
Detailed estimates, narratives, and schedules on trust funds	837
PART IV. SPECIAL ANALYSES	877
A. Federal Government receipts from and payments to the public	879
B. Analysis of budget receipts	883
C. Analysis of budget by function and agency	889
D. Investment, operating, and other budget expenditures	897
E. Federal credit programs	907
F. Federal activities in public works and other construction	918
G. Federal aid to State and local governments	930
H. Federal research and development programs	937
I. Principal Federal statistical programs	948
J. Selected investments and interfund transactions	951
K. Comparison of budget receipts and expenditures by function	954
INDEX	957

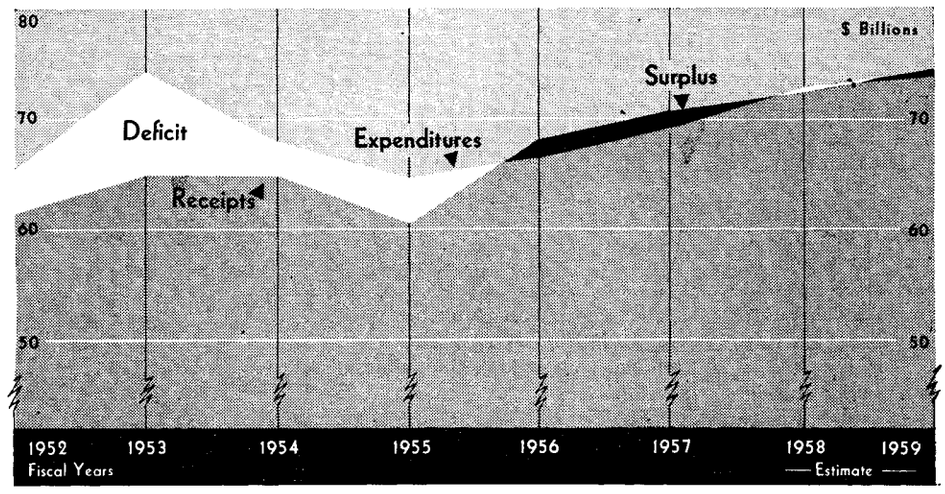
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RÉSUMÉ OF THE BUDGET

[Fiscal years. In billions]

	1953 actual	1954 actual	1955 actual	1956 actual	1957 actual	1958 estimate	1959 estimate
New obligational authority:							
Under existing legislation	$80.3	$62.8	$57.1	$63.2	$70.2	$71.4	$65.1
Under proposed legislation						2.9	7.4
Total	80.3	62.8	57.1	63.2	70.2	74.4	72.5
Budget receipts:							
Under existing legislation	64.8	64.7	60.4	68.1	71.0	72.4	72.3
Under proposed legislation							2.1
Total	64.8	64.7	60.4	68.1	71.0	72.4	74.4
Budget expenditures:							
Under existing legislation	74.3	67.8	64.6	66.5	69.4	72.5	70.7
Under proposed legislation						0.3	3.3
Total	74.3	67.8	64.6	66.5	69.4	72.8	73.9
Budget surplus (+) or deficit (−)	−9.4	−3.1	−4.2	+1.6	+1.6	−0.4	+0.5
Public debt at close of year	266.1	271.3	274.4	272.8	270.5	271.2	271.2
Balances of appropriations carried forward at end of year	78.4	67.8	52.1	46.0	43.7	40.1	39.9

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



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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

The budget for the fiscal year 1959 which I am transmitting with this message reflects the swiftly moving character of the time in which we live. It is clearly a time of growing opportunity as technology and science almost daily open wholly new vistas to all mankind. Yet it is also a time of growing danger. The progress of the Soviets in long-range missiles and other offensive weapons, together with their continuing rejection of a workable disarmament, compels us to increase certain of our defense activities which we have only recently expanded many fold.

We know that we are sturdy today in the many strengths that keep the peace. This budget reflects our determination to remain so in the future.

This budget reflects another determination—that of adhering to those principles of governmental and fiscal soundness that have always guided this administration—economy in expenditures, efficiency in operations, promotion of growth and stability in a free-enterprise economy, a vigorous Federal-State system, concern for human well-being, priority of national security over lesser needs, revenues adequate to cover expenditures and permit debt reduction during periods of high business activity, and revision and reduction of taxes when possible.

To meet the responsibilities imposed on us by world conditions and by the fiscal principles to which we adhere, the budget for 1959 contains recommendations to provide:

(1) An immediate increase for 1958 of $1.3 billion in spending authority for the Department of Defense, and a further increase of $2.5 billion in 1959 over 1958, to be applied principally to accelerate missile procurement, to strengthen our nuclear retaliatory power, and to spur military research and development programs;

(2) A resulting increase of $2.8 billion in estimated 1959 expenditures over 1957 for missiles, nuclear armed or powered ships, atomic energy, research and development, science and education, plus a further provision of $0.5 billion for defense purposes, if needed; in addition, authority to transfer up to $2 billion between military appropriations, in order to take prompt advantage of new developments;

(3) A decrease of $1.5 billion in 1959 expenditures below 1957 for other military arms and equipment and aircraft of declining importance, in favor of the newer weapons;

(4) Curtailments, revisions, or eliminations of certain present

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civil programs, and deferments of previously recommended new programs, in order to restrain nonmilitary spending in 1959 and to provide the basis for budgetary savings of several billion dollars annually within a few years;

(5) Continuation of present tax rates to help achieve a balanced budget in 1959.

I believe that this budget adequately provides for our Federal responsibilities in the year ahead.

The estimated budget totals for the current fiscal year and for the fiscal year 1959 are compared with actual results of earlier years in the following table:

BUDGET TOTALS

[Fiscal years. In billions]

	1956 actual	1957 actual	1958 estimate	1959 estimate
Budget receipts	$68.1	$71.0	$72.4	$74.4
Budget expenditures	66.5	69.4	72.8	73.9
Budget surplus (+) or deficit (−)	+1.6	+1.6	−.4	+.5
New obligational authority	63.2	70.2	[1] 74.4	72.5

[1] Includes $6.6 billion of anticipated supplemental requests.

Defense, science, and the budget.—Americans are determined to maintain our ability to deter war and to repel and decisively counter any possible attack. Today we possess military superiority over any potential aggressor or aggressors. Every American should clearly understand that the vast defense programs undertaken during the past several years have greatly advanced our military preparedness and developed and harnessed impressive new scientific achievements. We have sharply increased the numbers of scientists and engineers assigned to top priority defense programs. We have expanded many fold the expenditures for the development of missiles, both defensive and counteroffensive. We have accelerated development of advanced guidance systems, new fuels, and heat-resistant materials. We have greatly enlarged our network of warning devices and communications.

Our longer-range ballistic missile development, in particular, has long had the highest national priority. The result is striking. Whereas in 1953 we spent only $1 million on these programs, we spent $1 billion in 1957 and will spend more in 1958 and still more in 1959.

Our defenses are strong today, both as a deterrent to war and for use as a crushing response to any attack. Now our concern is for the future. Certain elements of our defense program have reached the point where they can be further accelerated. I will transmit to the Congress, immediately, a supplemental appropriation request of

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$1.3 billion for the Department of Defense for the fiscal year 1958. Further increases in new obligational authority are requested for the fiscal year 1959. The recommended authority for the military functions of the Department of Defense is $39.1 billion, which is $0.6 billion more than was requested in last year's budget for 1958 and $3.8 billion more than the amount the Congress has thus far enacted for 1958. Spending for military functions of the Department of Defense in 1959 is estimated to total $39.8 billion.

The development of longer-range ballistic missiles, construction of missile sites and detection systems, and other missile programs including guided missile ships will be substantially augmented. The total expenditures for missile research, development and procurement, for guided missile ships, and for missile-related construction will be $4.3 billion in 1958 and $5.3 billion in 1959, compared with $3 billion spent in 1957, $1.7 billion in 1956, and $1.2 billion in 1955. Commencing in 1958, we will procure a number of new missiles which have been recently developed and have now become operational.

As an indispensable part of our efforts to maintain an adequate defense, the budget recommendations for 1959 call for continued contributions to the efforts of free world nations to promote the collective defense and economic growth. The Soviet threat to freedom is far more than military power alone. Poverty and ignorance, and the despair, fear, and unrest that flow from them, have always been enemies to liberty. The Communists well know this and unceasingly exploit these factors to extend their influence and control. This Soviet economic assault on freedom is rapidly growing. Conquest by this route is no less menacing to us and other free nations than conquest by military force. We must, accordingly, vigorously advance our programs to assist other peoples in their efforts to remove poverty and ignorance. As we succeed in these military and economic efforts, our own freedom and security are strengthened, and the prospects for peace are improved.

Scientific and research efforts throughout the Nation must be expanded. This is a task not only for the Government but also for private industry, foundations, and educational institutions. The Government, on its part, will increase its efforts in this area. Supplemental appropriations for 1958 will be requested for the National Advisory Committee for Aeronautics and the National Science Foundation, as well as the Department of Defense. For 1959, new programs to promote education in science are being recommended and basic research activities are being generally expanded.

Changes in emphasis.—Total Government expenditures (1) for all procurement to equip our forces and those of our allies with weapons, ships, planes, and missiles, (2) for atomic energy, and (3) for

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all scientific research and education will be approximately $21.1 billion in 1958 and $21.6 billion in 1959, compared with $20.5 billion in 1957.

Within these totals for procurement and science, we have gradually but substantially changed our emphasis. This administration's continuing attention in recent years to new concepts of defense is shown by the fact that more than 75% of the total funds for procurement in the 1959 budget and 1958 supplemental requests is programed for new types of equipment which had not been developed in the fiscal year 1955 or were not being bought in production quantities in that year—the first full year following the Korean conflict. In 1953, missiles alone took less than 2 cents of each dollar spent for major procurement; in 1957, missiles took about 15 cents of every procurement dollar; and

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years will be larger than in 1957—even though it is recommended that certain other programs, both defense and civil, be retarded or reduced.

Total appropriations and other forms of new obligational authority recommended for the fiscal year 1959 amount to $72.5 billion. This is $4.7 billion more than has been enacted for 1958 and $2.3 billion more than for 1957. In addition, $6.6 billion of supplemental authorizations are estimated for the current year, 1958, for the Department of Defense, Commodity Credit Corporation, Export-Import Bank, and other agencies, as summarized in table 3 of part I of this budget document.

Budget expenditures in the fiscal year 1959 are estimated to be $73.9 billion. This is $1.1 billion more than now estimated for 1958 and $4.5 billion more than in 1957.

Not all of the obligational authority enacted for a fiscal year is spent in the same year. Amounts of authority enacted in prior years but which have not yet been spent and are carried forward from one fiscal year to the next are called unexpended balances. These balances are not cash on hand, but represent authority to draw on future receipts of the Treasury in order to pay bills.

The total balances of appropriations to be carried forward at the end of the fiscal year 1959 are estimated to be $39.9 billion. Of this amount 78% will have been obligated; that is, already committed.

The largest part of the unexpended balances of appropriations is in the Department of Defense, reflecting the long time which necessarily elapses between the placing of orders for complex military equipment and delivery and final payment. It is estimated that $32.1 billion will be carried forward by that Department at the end of 1959, of which $24.4 billion will have been obligated.

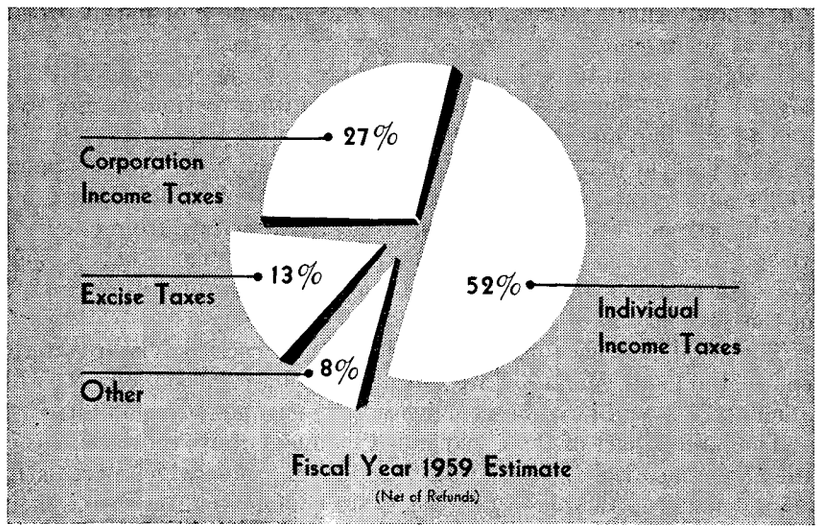
Budget receipts.—Although higher than in previous years, the current estimate of receipts for the fiscal year 1958 is somewhat smaller than earlier expectations, reflecting readjustments currently taking place in our economy following the rapid growth of the past several years. It now appears that 1958 budget receipts will not exceed $72.4 billion, although they will be well above 1957 receipts of $71 billion. A combination of increased defense expenditures and decreased receipts in the revised estimates for the current fiscal year results in an estimated budget deficit of $0.4 billion.

There are strong grounds to support my confidence that the expansion of our economy will soon be resumed, bringing higher levels of receipts with present tax rates. The acceleration of defense efforts already under way, the increasing pace of activity in a number of programs involving State and local as well as Federal expenditures, the rapid pace of technological advance and its application by American industry, the expanding needs and desires of our growing popula-

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tion, and Government policies designed to facilitate the resumption of growth are among the major factors that justify this confidence. While there are many uncertainties in forecasting results 18 months in advance, our best estimate at this time of budget receipts for 1959 is $74.4 billion. This would produce a balanced budget with a surplus of $0.5 billion in 1959.

SOURCE OF BUDGET RECEIPTS



With relatively minor exceptions, present tax rates have not been changed since 1954 when a program of tax reduction and reform was enacted, saving taxpayers nearly $7.5 billion annually. If the Congress follows my recommendations, I believe that we shall be able to do what is required for our defense efforts and meet the basic needs of our domestic programs without an increase in tax rates. To maintain present rates, I recommend that tax rates on corporation income and certain excises, which under existing law are scheduled for reduction next July 1, be extended for another year.

We shall continue our efforts to assure that no one can avoid paying his fair share of the country's total high tax burden. Pending legislation (H. R. 8381), which was developed jointly by the Treasury Department and the House Committee on Ways and Means to remove unintended tax benefits and hardships, should be enacted with a few modifications. The Treasury Department will continue to review the operation of the tax laws and make recommendations for such additional changes as are needed to close loopholes.

There are certain technical tax revisions which will give substantial benefits to small business, with a minimum loss of revenue and with

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no changes in tax rates. These revisions will be set forth in the Economic Report. They are based on the work of the Cabinet Committee on Small Business.

Debt limit.—A debt limitation serves as a proper reminder of the importance of operating economically in discharging the responsibilities placed by the Constitution and the statutes on the executive branch. However, the present limit of $275 billion is too restrictive in view of rising defense expenditures and of the need for more flexibility to permit efficient and economical debt management.

Therefore, I will recommend that the present limit be revised upward temporarily through the fiscal year 1959. There should be an adequate margin to take care of any unexpected developments and to give the Treasury some much-needed flexibility in conducting its financing during this coming period.

Trust funds.—The total budget expenditures and receipts discussed thus far exclude funds held in trust by the Government. Budget totals are important indicators of fiscal policy and are a major determinant of changes in the public debt. However, to measure more fully the scope of all Federal Government activities and their impact on the national economy it is necessary to consider the trust funds as well as the budget funds.

In the fiscal year 1959, the expenditures of the trust funds will rise by an estimated $1.2 billion, compared with an increase of only $0.2 billion in their receipts. Payments for the highway program are estimated to increase $0.6 billion to $2.5 billion and benefits under the old-age and survivors insurance program will also increase $0.6 billion to $8.7 billion. These payments will help contribute to economic stability during the coming period and will also aid in the long-run growth of the economy.

TRUST FUNDS

[Fiscal years. In billions]

	1957 actual	1958 estimate	1959 estimate
Trust receipts	$14.4	$16.4	$16.6
Trust expenditures	13.0	15.2	16.4
Trust accumulations	1.4	1.2	0.3

Receipts from and payments to the public.—A consolidation of budget and trust funds which eliminates interfund payments and noncash transactions shows that the total Federal payments to the public in the fiscal year 1959 will be $1.8 billion more than in 1958. Payments to the public in 1959 will be $0.6 billion less than receipts

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from the public. Additional details on this consolidation are presented in special analysis A of the budget document.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[Fiscal years. In billions]

	1957 actual	1958 estimate	1959 estimate
Receipts from the public	$82.1	$85.1	$87.3
Payments to the public	80.0	84.9	86.7
Excess of receipts over payments	2.1	0.2	0.6

ANALYSIS OF MAJOR PROGRAMS AND BUDGETARY ISSUES

For purposes of summarization and discussion, budget expenditures are grouped into the categories of protection, civil benefits, interest and general government.

Expenditures for major national security and for international affairs and finance, which together make up the category of "protection," will require 64% of estimated total 1959 budget expenditures. The $47.1 billion estimated to be spent on protection in the fiscal year 1959 is more than in any year since 1955.

An estimated 22% of budget expenditures in 1959 will be for civil benefit programs. These programs are grouped under the headings: Labor and welfare; commerce and housing; veterans services and benefits; agriculture and agricultural resources; and natural resources. The estimated $16.4 billion to be spent on civil benefits in 1959 is $0.6 billion less than the comparable amount for the current year.

The estimate of 1959 expenditures for interest is $7.9 billion, the same as in 1958. Expenditures for general government will require an estimated $1.4 billion in 1959, also about the same as in 1958.

BUDGET EXPENDITURES AND AUTHORIZATIONS BY PURPOSE

[Fiscal years. In billions]

Purpose	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Protection	$45.2	$46.3	$47.1	$45.9
Civil benefits	15.1	17.0	16.4	16.0
Interest	7.3	7.9	7.9	7.9
General government	1.8	1.4	1.4	1.4
Allowance for proposed legislation and contingencies		0.2	1.1	1.3
Total	69.4	72.8	73.9	[1] 72.5

[1] Compares with new obligational authority of $70.2 billion for 1957 and $74.4 billion for 1958.

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The budget also includes estimated expenditures of $1.1 billion for the fiscal year 1959 as an allowance for proposed legislation and contingencies not included in the categories above. Within this allowance $500 million is estimated specifically for defense contingencies, $339 million is estimated for proposed pay adjustments for postal and other civilian employees not in the Department of Defense, and $300 million is for other contingencies. The cost of proposed pay adjustments for military and civilian personnel of the Department of Defense is included in the estimates for that Department.

PROTECTION

Our security is an integral part of the security of the entire free world. In addition to strengthening our own defenses, we must improve the effectiveness of our partnership with our allies. This requires a greater pooling of scientific resources, a freer exchange of technological information, and closer military cooperation. Preliminary steps to accomplish these objectives were taken at the recent Paris meeting of the North Atlantic Treaty Organization.

This budget reflects coordinated plans for strengthening our own and allied defenses. The composition of free world forces, and the equipment with which they are provided, must be designed for the needs of an era of increasingly destructive weapons with far-reaching range. Our Government's research and development will be generally expanded with particular emphasis on developing and improving missiles both for defensive and for counteroffensive purposes.

An effective system of military security requires closer economic cooperation through trade, investment, loans, and technical assistance with nations throughout the free world so that they can develop their resources and raise their living standards. To the degree that this economic cooperation strengthens the internal stability and ability of those nations to preserve their independence, the cause of a just and lasting peace will be advanced.

PROTECTION, INCLUDING COLLECTIVE SECURITY

[Fiscal years. In billions]

Function	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Major national security programs	$44.4	$44.9	$45.8	$44.3
International affairs and finance	0.8	1.5	1.3	1.6
Total	45.2	46.3	47.1	45.9

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MAJOR NATIONAL SECURITY

New obligational authority recommended for major national security programs for 1959 is $44.3 billion, compared to $41.0 billion estimated for 1958 and $41.3 billion enacted for 1957.

Expenditures for these programs are estimated to be $45.8 billion in the fiscal year 1959, $1 billion more than in 1958 and $1.4 billion more than in 1957. Increases are anticipated for the military functions of the Department of Defense and for atomic energy development. Expenditures for military assistance and defense support will be about the same as in the current year, but appropriations will increase to finance the lead-time for newer-type weapons. Expenditures for the stockpiling of strategic and critical materials and for the defense production expansion program will decline.

Department of Defense, Military Functions.—To accelerate the adaptation of our defenses to changing conditions, a request for supplemental appropriations of $1.3 billion for the Department of Defense in the fiscal year 1958 is being transmitted to the Congress. The result will be to increase total new obligational authority for 1958 for the military functions of the Department of Defense to $36.6 billion. A further increase of $2.5 billion is recommended for the fiscal year 1959, bringing the total for that year to $39.1 billion.

It is essential that we be able promptly to modify and accelerate programs when and as important discoveries or technological developments in weapons indicate such action to be desirable. To accomplish this end, the budget includes a contingency reserve of $500 million for defense purposes only. It also proposes that the Congress authorize the President to transfer up to $2 billion between appropriations available for military functions of the Department of Defense. This transfer authority is important and I will not hesitate to use it.

I have already discussed the urgent problem of reorganization of the Department of Defense in the State of the Union message. In the interest of the taxpayer, improved operating and fiscal controls must accompany larger appropriations.

Expenditures in 1958 are now estimated to be $38.9 billion compared with the original 1958 budget estimate of $38 billion. Estimated expenditures for 1959 are $39.8 billion, an increase of $0.9 billion over the current estimate for 1958, $1.3 billion higher than in 1957, and $4 billion more than in 1956.

These increased appropriations and expenditures are necessary for a speedup in the adjustment of military strategy, forces, techniques, and organization to keep pace with the rapid strides in science and technology. Since the end of the Korean conflict, new weapons systems of vastly increased combat effectiveness have been provided for our military forces, while numbers of military units and personnel

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MAJOR NATIONAL SECURITY

[Fiscal years. In millions]

Program or agency	New obligational authority			Budget expenditures		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Department of Defense—Military Functions:						
Direction and coordination of defense	$15	$26	$356	$14	$21	$215
Army:						
Present programs	7,672	7,694	8,532	9,063	9,043	8,663
Proposed legislation:						
Military pay adjustment			184			182
Military construction			320			35
Navy:						
Present programs	10,220	10,469	10,284	10,398	10,640	10,724
Proposed legislation:						
Military pay adjustment			146			142
Military construction			290			47
Air Force:						
Present programs	17,697	17,219	16,891	18,363	18,388	18,008
Proposed legislation:						
Military pay adjustment			188			184
Military construction		520	965		53	544
Other central defense activities:						
Present programs	651	675	784	602	716	810
Proposed legislation (military construction)						20
Proposed civilian pay adjustment			205			205
Subtotal	36,255	[1] 36,605	[2] 39,145	38,439	38,861	[2] 39,779
Atomic energy:						
Present programs	1,962	2,362	2,298	1,990	2,300	2,530
Proposed legislation (plant acquisition and construction)			120			20
Subtotal	1,962	2,362	2,418	1,990	2,300	2,550
Stockpiling and expansion of defense production			70	490	565	422
Mutual security, military:						
Military assistance:						
Present program	2,018	1,340		2,352	2,200	1,846
Proposed legislation			1,800			354
Defense support:						
Present program	1,110	689		1,143	945	575
Proposed legislation			865			310
Subtotal	3,127	2,029	2,665	3,495	3,145	3,085
Total	**41,344**	**40,995**	**44,298**	**44,414**	**44,871**	**45,836**

[1] Includes $1,270 million of anticipated supplemental requests.

[2] Does not include $500 million for defense purposes shown in the budget under allowance for proposed legislation and contingencies.

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have been gradually reduced. We can expect new developments at an ever-increasing pace.

The rapidly changing character of the military program is strikingly evident when the weapons and equipment we propose to buy in 1959 are compared with those bought as recently as 1955—the first full fiscal year after the Korean conflict.

There is hardly a production model aircraft on the Air Force's proposed list for procurement with 1959 funds that was included in its 1955 program. All the fighters and bombers proposed for procurement with 1959 appropriations will be capable of supersonic speeds and of using guided missiles and nuclear weapons. Of the $1.5 billion of aircraft, engines, and aeronautical equipment proposed to be bought by the Navy in 1959, about 80% will be for models which had not reached the point of being bought in production quantities in 1955.

Even in the new field of missile technology, there will be a very marked shift of emphasis from the earlier, initial weapons systems to the much more advanced systems of the future. The longer range ballistic missiles—Atlas, Titan, Thor, Jupiter, Polaris—only one of which was beyond the technical study stage 2½ years ago, will account for nearly half of the missile program for 1959. For the total missile program, about 90% of the dollars planned for procurement in 1959 are for weapons which were not in production in operational quantities in 1955.

Most of the ships in the proposed 1959 construction program are entirely new types not to be found in the 1955 shipbuilding list. These include guided missile destroyers and the first nuclear-powered frigate. The first three ballistic missile submarines for the fleet are included in the 1958 supplemental request.

Fully half of the proposed 1959 program of military construction is for facilities for the Strategic Air Command and for weapons systems and equipment which will have been brought into operational use since 1955.

Research and the operation of facilities for research, development, and testing of missiles will take a much greater proportion of the research and development budget in 1959 than in 1955. In the 4 fiscal years 1956–59, roughly $20 billion of research and development, procurement, military personnel, and construction funds will have been programed for the research, development, test, and evaluation of new weapons systems to bring them to operational status.

Programs requiring greater emphasis.—The budget provides funds for a still greater expansion of the swiftly progressing intercontinental and intermediate range ballistic missile programs. The Jupiter and Thor intermediate range ballistic missiles are being placed in produc-

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tion. Work on the Atlas intercontinental ballistic missile will be accelerated.

Funds are also provided to speed up the operational availability of the Polaris intermediate range ballistic missile and the first three submarines designed to employ this weapon.

Expansion and further improvement of the continental defense early warning network will be undertaken and construction of a new ballistic missile detection system started, including the necessary facilities for communication with the North American Defense Command and the Strategic Air Command.

This budget includes funds for accelerating the dispersal of Strategic Air Command aircraft to additional bases and for the construction of "alert" facilities. The readiness of these retaliatory forces must be measured in minutes. Not only must planes be kept constantly in the air, but also additional combat air crews must be able to take off almost instantly upon receipt of warning of an impending enemy attack. Takeoff time will be appreciably shortened by constructing additional runways, fueling stations, and quarters for the crews at the runway. Within the total appropriations for the fiscal years 1958 and 1959, about $0.5 billion is provided for the dispersal and increased readiness of the Strategic Air Command.

Funds are provided for an expanded research and development effort on military satellites and other outer space vehicles, and on anti-missile missile systems, to be carried out directly under the Secretary of Defense. An increase is also included for basic and applied research in other areas.

Antisubmarine warfare capabilities will be increased to counter potential enemy submarine threats.

While greater attention is given in this budget to the foregoing areas, conventional warfare capabilities of all the military services are also being improved. For example, funds are provided to initiate production of new models of small arms and ammunition, standardized for use by all members of the North Atlantic Treaty Organization.

Military and civilian pay.—With the development of new weapons systems, the technical proficiency demanded of military personnel has increased tremendously. Personnel trained at great expense in the operation and maintenance of these modern weapons must have greater incentives to remain in service. For present and long-range efficiency and for greater equity, the military pay system must be recast. Minimizing the present large turnover in military personnel will reduce the percentage of men in training and add to the percentage of men assigned to combat missions.

The funds provided in this budget for military personnel are based on achieving these objectives and on making the changes in pay rates

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effective on July 1, 1958. The funds for the Department of Defense also include an allowance to cover its share of the cost of the revision in the pay structure for classified civilian employees recommended in the general government section of this message.

The revisions proposed are an adaptation of the principles recommended by the Advisory Committee on Professional and Technical Compensation in its report of May 8, 1957. The principles for military pay call for rewarding proficiency and merit and for stimulating career motivation. Attainment of these desirable goals requires elimination of the current longevity system in which a man of lower rank can receive more pay than one of higher rank, and the substitution of a system which would: (1) add two pay grades for both officers and enlisted personnel; (2) widen the pay differentials between grades by means of substantial increases for the senior officer and senior enlisted grades; and (3) establish uniform entering pay rates for each grade.

Actions for economies.—The programs and pay adjustments described above will be costly. Beyond the reduction of $1.5 billion for procurement of aircraft and conventional weapons from 1957 to 1959, it is necessary that every possible economy be effected in other defense activities to help offset the increased costs of the high priority programs. This means, among other things, that we must eliminate programs and facilities no longer needed and make sure that we have no needless duplication.

All forces, units, and activities are being reexamined to determine whether or not they will still be needed as modern weapons, improved techniques, and new organizations come into being. Any activity of the services not making an essential contribution to a military mission must be eliminated.

As with our active-duty forces, the size, mission, and organizational structure of our reserve components must be shaped to meet the requirements of modern warfare. They must be designed to augment the active-duty forces quickly and efficiently. Our reserve personnel programs will give greater emphasis to quality and readiness than to quantity.

The Department of Defense is now operating a very large number of installations and bases in the continental United States and overseas. Some of these installations involve use of costly or extensive facilities for activities that could be performed more economically at other locations. As the Department of Defense continues to adopt modern weapons and revised organizations, some of these stations will become unnecessary. On the other hand, dispersal of the retaliatory forces will require some additional bases and increased costs.

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Closing down and disposing of installations not definitely required for the combat forces or for their supply and distribution systems will help make funds available to support the new stations. Keeping nonessential installations in operation, thereby diverting personnel and funds from our true defense requirements at the expense of our combat capabilities, poorly serves our defenses and the general public.

All facilities and activities which are retained will be continually evaluated to prevent extravagance and wastefulness in operation and maintenance. The Department of Defense, in collaboration with the Treasury, Bureau of the Budget, and General Accounting Office, is also engaged in improving financial management in the operation and maintenance activities and other areas.

The supply and distribution activities of the armed services must also be further streamlined. The Department of Defense is now making a comprehensive review of procurement practices and inventory management. Emphasis is being placed upon techniques for coordinating defense supply systems so that they will be oriented to support adequately the increasing numbers of new weapons and avoid oversupply for older weapons.

In the interest of holding procurement costs to a minimum, I recommend that the Renegotiation Act be extended.

Development and control of atomic energy.—Expenditures by the Atomic Energy Commission in the fiscal year 1959 will increase to $2,550 million, $250 million more than estimated for 1958, which in turn was $310 million over 1957. These increases reflect our determination both to increase the tempo of progress in achieving a greater nuclear military capability and to press ahead in our successful development of the peaceful applications of atomic energy.

From year to year we have hoped that success would finally crown our efforts to reach an international agreement which would permit, if not general disarmament, at least some reduction in the production of nuclear armaments. Again we find ourselves in a situation that leaves us no choice but to test and produce further quantities of such armaments for the defense of the free world. The substantial increase in the availability of uranium concentrates and the expanded capacity of the Atomic Energy Commission's production plants will result in greater production and larger operating expenditures in 1959.

During the last several years, the Atomic Energy Commission's research and development in both peaceful and military applications of atomic energy have grown rapidly to the highest levels ever attained. Continuing emphasis will be given to basic research, and construction will continue on four additional high-energy particle accelerators in the multibillion electron-volt range.

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Applied research and development activities will be increased in 1959 and concentrated on those aspects which appear most likely to result in reaching technical goals. In particular, there will be continuing emphasis on naval and other military nuclear propulsion reactors, and on the more promising approaches to development of reactors to produce safe and economic electrical energy for civilian use.

Stockpiling and defense production expansion.—Expenditures for stockpiling and expansion of defense production are estimated to be $565 million in 1958 and $422 million in 1959. The stockpile objectives on all but a few scarce materials will be substantially completed under contracts now in force. In October 1957, an advisory committee was established to work with the Office of Defense Mobilization on a study of stockpiling policies and programs in the light of current concepts of war and defense.

The Defense Production Act of 1950 has provided much of the basic authority required to bring about needed expansion of production capacity, to provide controls over the use of scarce materials, and to initiate other measures essential to enhance our military strength. It should be extended another 2 years beyond its present expiration date of June 30, 1958. I do not now anticipate any specific new programs which will require financial assistance under this legislation, but accelerated research and development in certain military programs may require further expansion of production potentials for key materials. The authority to set priorities and allocate materials, currently being used for critical materials for direct military and atomic energy procurement, will continue to be needed.

Mutual security program.—Soviet ambition poses a threat to the free countries that takes several forms: open armed attack, internal subversion, and economic domination. Mutual security helps to meet all forms of this threat. For the fiscal year 1959, I am recommending new obligational authority of $3,940 million for the mutual security program. Expenditures are estimated to be $3,868 million.

Two portions of the mutual security program—military assistance and defense support—are primarily related to our military defense effort and, therefore, are discussed in this section of the message. The other portions of the mutual security program, while they contribute to security and defensive strength, are primarily designed to promote the economic development and political stability of less developed countries. They are discussed in the international affairs and finance section of this message. The two parts of the mutual security program are combined in the following table:

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MUTUAL SECURITY PROGRAM

[Fiscal years. In millions]

Function and program	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Major national security:				
Military assistance:				
Present program	$2,352	$2,200	$1,846	
Proposed legislation			354	$1,800
Defense support:				
Present program	1,143	945	575	
Proposed legislation			310	865
Subtotal	3,495	3,145	3,085	2,665
International affairs and finance:				
Development loan fund		20	174	625
Technical cooperation:				
Present program	114	136	103	
Proposed legislation			47	164
Special and other assistance:				
Present program	341	448	266	
Proposed legislation			193	486
Subtotal	455	604	783	1,275
Total, mutual security	3,950	3,749	3,868	[1] 3,940

[1] Compares with new obligational authority of $3,807 million for 1957 and $2,764 million for 1958.

Mutual security, military assistance.—The nature of military assistance varies by country and area, taking into account military need, technological abilities, and division of defense responsibility among the United States and other countries. Countries which have received military assistance maintain for the common defense of the free world the equivalent of 200 army divisions, and some 23,000 aircraft and 2,300 naval vessels. From 1950 through 1957 our assistance has augmented by about 17% the total defense expenditures of these countries.

In Europe, this assistance is programed according to the defensive strategy for the whole North Atlantic Treaty Organization.

Military assistance for certain other countries, particularly in the Middle East and Asia, will continue to give special emphasis to the threat of internal subversion while also contributing to the deterrence of foreign attack.

In addition to missiles and other advanced weapons, the military assistance program provides for necessary conventional equipment, supplies, construction, and training for ground, sea, and air defense of friendly countries.

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Continuing efforts are being made to maintain the forces needed for international defense purposes at the lowest possible cost. The strength of forces in assisted countries has been and will continue to be reviewed to insure that our support is related to current military requirements and technology. We are financing military equipment wherever possible on a basis of sales for cash and credit rather than by grants.

Recommended new obligational authority for military assistance in the fiscal year 1959 is $1,800 million. To fulfill probable needs growing out of agreements at the recent NATO meetings, an additional amount of up to $200 million for procurement of more missiles and other new equipment is covered by the allowance for proposed legislation and contingencies for the fiscal year 1958. Expenditures for military assistance in 1959, which will be made primarily from obligational authority enacted in previous years, are estimated to be $2,200 million, the same amount estimated for 1958.

I firmly believe that the current United States outlay for protection would have to be substantially larger were it not for the military assistance program which enables other countries to contribute more to collective defense. Without our military assistance program the same degree of protection might not be obtainable at any cost.

Mutual security, defense support.—Our military assistance is extended to many countries that are maintaining collective defense forces beyond their economic means. Therefore, we supply economic assistance under the appropriations for defense support so that these countries can provide for their defense forces and at the same time maintain economic and political stability.

New obligational authority of $865 million is requested for defense support. Expenditures in 1959 are estimated at $885 million or $60 million below the estimate for 1958.

In determining these amounts, account has been taken of the most effective use of local currencies obtained as counterpart for assistance dollars and from sales of surplus United States farm products. The local currencies, which are in addition to dollar grants, are used to help channel the countries' own economic resources to the most desirable objectives. However, these currencies cannot replace the dollars needed for materials and equipment that must be imported, mainly from the United States.

INTERNATIONAL AFFAIRS AND FINANCE

The major objective of our international economic policies and programs is to help build the free world's economic strength in the interest of mutual well-being and the maintenance of peace. Ex-

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panded production, improved efficiency, and greater economic progress for ourselves and other peoples of the free world will depend to a considerable extent on an increase in the flow of international trade and investment. To aid in this worldwide objective and at the same time to expand our markets abroad and thus create new jobs at home, I am recommending the extension with broadened authority of the Reciprocal Trade Agreements program. I am also recommending an expansion of the lending authority of the Export-Import Bank, an increase in new obligational authority for developmental and technical assistance under the mutual security program, and the authorization of funds to assist in the completion of the Inter-American Highway.

International affairs and finance are estimated to require $1.3 billion of expenditures in the fiscal year 1959, $156 million less than in 1958. The decline reflects primarily the fact that in 1958 the Export-Import Bank has made a substantial disbursement under a previously authorized loan to the United Kingdom.

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Economic and technical development:				
Export-Import Bank	−$100	$393	$51	
Nonmilitary mutual security program:				
Development loan fund		20	174	$625
Technical cooperation:				
Present program	114	136	103	
Proposed legislation			47	164
Special and other assistance:				
Present program	341	448	266	
Proposed legislation			193	486
Other:				
Present programs (primarily reimbursement to Department of Agriculture for commodities shipped abroad)	187	136	139	9
Proposed legislation (Inter-American Highway)				10
Foreign information and exchange activities:				
United States Information Agency	108	100	108	110
Department of State, exchange of persons	18	26	21	21
President's special international program	7	15	11	8
Conduct of foreign affairs:				
Department of State	155	192	199	181
Other	2	2	2	2
Total	832	1,468	1,312	[1] 1,615

[1] Compares with new obligational authority of $1,131 million for 1957 and $3,292 million (including $2 billion of anticipated supplemental authorizations for Export-Import Bank) for 1958.

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Reciprocal trade.—In order to pay for imports of goods and services from the United States other countries must be able to export to us. Progress for them and for us will receive its greatest impetus by development of the most favorable fields of production coupled with a gradual but steady reduction of unjustifiable trade barriers. We welcome the proposed European common market and free trade area as steps toward these broad goals.

We live in a world of economic, no less than political, interdependence. As the greatest producer, consumer, and exporter in the world, the United States must be a dependable market for foreign goods if mutually beneficial trade is to grow and prosper. The Reciprocal Trade Agreements Act should be extended for 5 years beyond its expiration date of June 30, 1958, with certain new authority for the President to negotiate gradual and selective tariff reductions. Legislation should also be enacted to authorize United States membership in the Organization for Trade Cooperation to improve the administrative efficiency of our trade agreements with other countries. To provide coordinated Cabinet level direction of this program at home, I have recently established the Trade Policy Committee under the chairmanship of the Secretary of Commerce.

In addition, I recommend that the Congress delete a rider which in past years has been attached to the Defense Appropriation Act and which virtually prohibits normal competitive bidding by other countries on many defense contracts. The rider is clearly inconsistent with policies designed to expand international trade and makes our heavy defense costs even more burdensome.

Export-Import Bank.—The Export-Import Bank has had a steadily increasing role in promoting United States exports and imports and in financing economic development projects abroad through loans to United States and foreign firms and to foreign countries. Since the Bank requires repayment in dollars, its loans for economic development are made for projects that will earn or save dollars for the borrowing country, or for projects in countries with adequate prospects of earning dollars from other sources. It is now estimated that the lending authority provided the Bank in 1955 will be entirely committed sometime during 1959. To assure continuity in the Bank's operation and to provide for possible emergencies, I am requesting $2 billion in new obligational authority to expand the Bank's lending capacity. This new authorization should be made available before the end of the current fiscal year.

Nonmilitary mutual security.—While strengthened trade legislation and additional lending authority for the Export-Import Bank will help substantially in promoting world commerce and economic de-

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velopment, these actions are insufficient in themselves to accomplish our international objectives.

Few national desires are stronger today than the wish of the peoples of less developed countries to improve their living standards. It is our national policy to encourage and assist this aspiration. As a country blessed with great natural resources, modern industry, and high productivity, we recognize the compelling humanitarian reasons for helping less fortunate people abroad as we help them at home.

The progress of some less developed countries will be dangerously slow without outside help, despite their best efforts. The people of these countries are conscious of the technological advances made and the levels of living enjoyed beyond their borders, and are understandably impatient for similar achievements. If Western help is unavailable or inadequate, these countries may become dependent upon the Communist bloc. We are concerned that they strengthen their independence and find prospects for improved living standards within a free society. It is my earnest hope that other free governments will also enlarge their efforts in advancing the development, trade, and well-being of less developed countries.

In addition, without economic progress, military security may prove illusory. People who see little improvement in their economic conditions may question the value of the freedom that our mutual defense efforts are intended to preserve. The events of the cold war reemphasize the importance of our helping to insure that peoples of less developed countries have faith in their future.

For these various reasons, it is critically necessary to carry forward our development loans, technical assistance, and other special types of assistance under the mutual security program.

Mutual security, development loan fund.—In many cases, urgent needs for economic development in less developed countries cannot be financed by the Export-Import Bank or by other sources such as the International Bank for Reconstruction and Development or private institutions. To meet such needs for financing economically and technically sound projects, the development loan fund was authorized in the Mutual Security Act of 1957. Loans from this fund may be made on less stringent terms than Export-Import Bank or other such loans, with repayments in local currencies as well as dollars.

Projects are now being considered and negotiations are being started with a number of countries which will result in the commitment of an appreciable volume of loans by the end of the fiscal year 1958. To make possible the continuation and expansion of such development loans, I am requesting provision of $625 million in new obligational authority for 1959, as authorized by the Congress in basic legislation last year.

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Mutual security, technical cooperation.—Because of technical assistance extended under the mutual security program, millions of people today are better off than before and productivity has been significantly increased. For example, disease has been lessened in many countries as people have been taught water purification techniques. Illiteracy has been greatly reduced. Farmers in many countries have learned how to diversify crops and improve livestock strains.

This budget requests $164 million of new obligational authority in 1959 to carry forward the United States program of technical assistance and also to provide for our joining with other nations to increase the financial resources of the United Nations program of technical assistance. This increase will help to broaden the scope of multilateral cooperation through a new program for regional surveys of resources and for regional training institutes approved last December by the United Nations General Assembly. I am convinced of the need for our own technical assistance program and I am equally convinced of the need for multilateral technical assistance programs, in which our contribution is multiplied by the funds and experts of many nations.

Mutual security, special and other assistance.—The budget for the mutual security program provides for certain additional special activities, such as support vital to the stability of a number of friendly countries not covered by other categories of aid, our contributions to the United Nations International Children's Fund, and our refugee programs.

It is obviously impossible to predict today all of the problems which the free world will face during 1959. In order to help meet the emergencies that experience shows inevitably arise, I believe it necessary that a special contingency fund again be provided in the mutual security appropriation. For this purpose, $200 million is recommended for 1959.

Diplomacy, informational and cultural programs, and exchange of persons.—Greater understanding among nations, on a people-to-people as well as a government-to-government basis, is a necessary part of our efforts to remove the misunderstandings that hinder disarmament, the building of a safeguarded peace, and the strengthening of freedom. It is especially important that Americans and peoples who have recently gained, or are approaching, independence come to appreciate each other's problems and aspirations. It is similarly important that Americans and Eastern Europeans renew the contacts that once were an important strand in friendly international relations.

The budget recommends $183 million in new obligational authority in 1959 for the conduct of foreign affairs, primarily for the operation

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of the Department of State. This amount includes provision for additional foreign service posts in Africa and for the strengthening of consular, economic, and political work in the Middle East and the Far East. New obligational authority requested for the United States Information Agency, and for exchange of persons, cultural presentations, and international trade fairs amounts to $139 million; within this total, there is provision for more exchanges of leaders, scientists, and students with Eastern Europe and other areas.

I wish here to call attention specifically to the need for a supplemental appropriation for the Brussels Fair. Congressional action on this important activity last year left United States participation badly hampered in comparison with programs of other nations, especially the Soviet Union. I consider this item of particular importance to our country and urge the Congress to expedite its approval.

CIVIL BENEFITS

The bulk of the Federal Government's budget expenditures for domestic programs is classified under five broad categories—labor and welfare, commerce and housing, veterans services and benefits, agriculture and agricultural resources, and natural resources. These benefits take various forms, such as grants to State and local governments, direct benefit payments to individuals, loans, public works, research, and other public services.

BUDGET EXPENDITURES AND AUTHORIZATIONS FOR CIVIL BENEFITS

[Fiscal years. In billions]

Function	Expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Labor and welfare	$3.0	$3.4	$3.6	$3.6
Commerce and housing	1.5	2.1	1.6	2.1
Veterans services and benefits	4.8	5.0	5.0	5.0
Agriculture and agricultural resources	4.6	4.9	4.6	3.8
Natural resources	1.3	1.5	1.5	1.4
Total	15.1	17.0	16.4	[1] 16.0

[1] Compares with new obligational authority of $18.6 billion for 1957 and $20.4 billion for 1958.

Total expenditures for civil benefits in the fiscal year 1959 are estimated to be $16.4 billion. New obligational authority is reduced from an estimated amount of $20.4 billion in 1958 to $16 billion in 1959.

Under present conditions, I am not recommending enactment at this time of certain legislation now pending in the Congress for new programs which I have previously advocated. For example, instead

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of general aid for construction of schoolrooms, I am now recommending a broad temporary program of aid to education which is largely science-oriented. I am also deferring proposals for some other grant programs and for certain new public works projects.

I am also making recommendations to reduce some programs, to curtail expansion in others, and to transfer greater responsibility from the Federal Government to State and local governments or to private individuals or enterprises. All of these recommendations, in addition to being required by sound public policy, will help to hold expenditures in future years to prudent levels.

Some of the changes in legislation which I am recommending apply to three general types of activities—grants-in-aid, credit, and special services for which charges should be made.

Grants-in-aid.—In the past 25 years, the number of grant-in-aid programs conducted by the Federal Government has increased many fold. Federal expenditures and the amount of taxes levied at the national level have correspondingly increased.

As I have repeatedly emphasized, the continued vitality of our federal form of government requires that, to the maximum extent possible, primary responsibility for public programs be shouldered by that level of government most familiar with local problems and most responsive to them. We must exercise the utmost restraint in assigning new programs and responsibilities to the Federal Government, and we should continuously search out those programs and activities now carried on at the national level that can and should be handled by the States or localities.

Prudent limitation of Federal activities cannot alone meet the whole problem of overcentralization. The continued strength of our federal system also depends upon reinforcing the administrative and fiscal ability of the States to carry out their responsibilities. Accordingly, I suggested at the Governors' Conference at Williamsburg, Va., in June of 1957, that an action group be established to make recommendations on this and other aspects of the problem. A Joint Federal-State Action Committee consisting of 10 governors and of representatives of the executive branch of the Federal Government was subsequently created.

The initial progress report of this Committee, made last month, recommends complete transfer of two programs to the States together with the simultaneous relinquishment of a portion of the local telephone service tax which the Federal Government now collects. These programs are vocational education and the construction of waste treatment facilities. Legislative proposals to carry out these and future recommendations of the Committee will be transmitted to the Congress. An orderly readjustment requires time for action by both

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the Congress and the State legislatures. Consequently, the effect of the proposed transfers on expenditures and revenues of the Federal Government will occur beginning in 1960. The report also recommends increasing the degree of State responsibility in three other programs: urban renewal planning; natural disaster relief; and regulating and promoting peaceful uses of atomic energy, particularly for health and safety.

Cooperation of this nature is a highly desirable and, in my judgment, a long overdue experiment in public administration and finance. The success of the venture depends upon further cooperation among the executive branch, the Congress, the governors, the legislative bodies of the States, and the local governments involved. As for this administration, I can say that the executive branch is eager, as well as willing, to do its part to insure that success.

Federal credit programs.—From a few small beginnings, Federal programs for making direct loans, purchasing mortgages, and insuring or guaranteeing private loans have multiplied greatly over the past quarter century. As shown in special analysis E in this budget document, new commitments for a great variety of specific credit requirements in the fiscal year 1959 are estimated at $16.5 billion, predominantly for housing and agricultural programs. About three-quarters of these commitments are for guaranties and insurance of private loans, which usually do not require significant budget expenditures. However, net budget expenditures for direct loans and mortgage purchases will amount to an estimated $1.4 billion in 1959.

On June 30, 1957, the total amount of outstanding private loans guaranteed or insured in whole or in part by the Federal Government amounted to $55.9 billion. This is expected to increase to $65.9 billion by the end of the fiscal year 1959. In addition to these privately financed loans, the amount of direct loans outstanding on June 30, 1957, was $17.5 billion, compared to $20.3 billion expected as of June 30, 1959.

In order that Government credit programs will make a maximum contribution to economic growth and stability, this administration has placed special emphasis upon achieving a more consistent policy among them. For this purpose, it is necessary that such programs: (1) charge adequate interest rates on all new loans; (2) substitute private financing for Government loans and mortgage purchases wherever possible; and (3) be subject to effective budgetary control.

In many cases, present legislation sets maximum interest rates that do not permit the Treasury or the lending agencies to cover present costs. At my request, legislation has been submitted to the Congress requiring that, insofar as consistent with the purposes of each program, all costs of future loans be paid by the borrowers who

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benefit from the loans. Such legislation, by removing or reducing hidden subsidies, would make a significant contribution toward better budgeting.

Loans or mortgage purchases by the Federal Government should be available only if private financing cannot be obtained on reasonable terms. In several important areas Federal guaranties or insurance have encouraged greater participation by private lenders and reduced reliance on direct Government loans. Legislation should be enacted to authorize other Federal lending programs to substitute guaranties or insurance of private loans to the maximum feasible extent. Moreover, for all loan guaranty programs, the Government should be authorized to permit interest rates high enough to attract private lenders. I suggest that all limitations or ceilings placed on interest rates be reviewed, and that authority be provided to vary the rates for guaranteed or insured loans in line with market conditions and under proper safeguards.

A few Federal credit programs and a few other enterprise activities, as well, are not now subject to budgetary review and audit control. I again recommend that the Government Corporation Control Act be amended to provide for such review and control over all Government corporations authorized to use Federal funds.

Charges for special services.—When the Government provides a service conferring a special quasi-commercial benefit on identifiable individuals or groups above and beyond the benefits to the public generally, I believe it should charge the beneficiaries for the special service, rather than place the full burden of cost on the general taxpayer.

This principle has been put into practice in the financing of the new highway program through the payment of excise taxes by highway users into a highway trust fund. The forest and public lands highway programs of the Department of Commerce, however, are still financed from general revenues. Since most of these highways are on one of the Federal-aid systems, I recommend that their financing be transferred to the trust fund. Legislation will also be recommended to provide for payment from the trust fund of the expenses incurred by the Treasury in collecting taxes going into the trust fund, similar to the present practice of paying for the costs incurred by the Department of Labor in determining wage standards for highway contracts.

In the field of aviation, the Federal Government provides a wide range of special services benefiting private users of the airspace. As I have previously pointed out, it is increasingly appropriate that these users pay their fair share of the costs. As first steps toward this end, this budget proposes that a tax of 3½ cents a gallon be levied on jet fuels and that taxes on aviation gasoline be increased to 3½ cents a

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gallon from the present 2 cents, with increases of ¾ cent per year for 4 years in both taxes up to 6½ cents a gallon. The receipts from taxes on aviation gasoline, which now go into the highway trust fund, should be kept in the general revenues to help finance the operations of the airways.

Legislation should also be enacted to raise patent fees, and to charge employers of longshoremen for the costs of administering disability compensation. Recommendations elsewhere in this message to adjust postal rates and authorize more adequate interest rates on Government loans also will serve to reduce unnecessary subsidies to special groups.

In addition to the above specific recommendations, all Government agencies have recently been instructed at my direction to prepare legislative proposals generally designed to remove present restrictions or limitations on their authority (1) to recover full cost to the Government of services that provide special benefits to individuals or groups and (2) to obtain a fair market value for the use or sale of federally owned resources or property.

By enactment of the legislation proposed in this budget and of other proposals which I shall make from time to time, we can move closer to the ultimate goal of an equitable system of fees and charges throughout the Government.

LABOR AND WELFARE

Expenditures for labor and welfare, including the education and basic research programs classified under this heading, are estimated to be $3.6 billion in the fiscal year 1959, $200 million more than for the current year. The increase is primarily for scientific research and education programs. Previous recommendations for new programs, such as general aid for school construction, are being deferred.

A large portion of the expenditures for labor and welfare programs consists of grants-in-aid to States and local governments, and cannot be reduced without changes in basic authorizing legislation. At this time, I am proposing revisions in the legislation governing five of these grant programs which will lead to some small reductions in the Federal budget for the fiscal year 1959, and to some larger reductions in later years. Under these proposals, the proportion or amount of Federal participation would be reduced for schools in federally affected areas, for hospital construction, and for public assistance. I am also recommending action on legislation relating to revenues so the States can assume responsibility beginning in 1960, and Federal aid can cease, for vocational education and waste treatment plant construction. Continuing work by the Joint Federal-State Action Committee, as well as thoroughgoing reappraisals by Federal agencies on their own

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initiative, should lead to further recommendations for reducing grant-in-aid programs in future years, with the States assuming more of the responsibility for these activities and themselves collecting more tax revenues to finance them.

LABOR AND WELFARE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Promotion of science, research, libraries, and museums:				
National Science Foundation: Basic research	$32	$38	$55	$58
Other	39	42	64	58
Promotion of education:				
National Science Foundation: Science education	14	17	53	82
Department of Health, Education, and Welfare:				
Science and general education programs (proposed legislation)			75	146
Assistance for schools in federally affected areas:				
Present program	174	223	122	1
Proposed legislation			90	130
Vocational education and other	54	60	60	58
Department of the Interior	48	53	60	57
Labor and manpower	400	411	420	432
Promotion of public health:				
National Institutes of Health	165	202	203	211
Hospital construction grants	73	97	112	75
Grants for construction of waste treatment facilities	1	31	51	45
Other	230	251	267	252
Public assistance	1,558	1,822	1,809	1,809
Correctional and penal institutions	32	34	36	37
Other welfare services	147	162	167	165
Total	2,966	3,443	3,643	[1] 3,616

[1] Compares with new obligational authority of $3,189 million for 1957 and $3,571 million for 1958.

Science, research, and education.—In the face of Soviet challenges, the security and continued well-being of the United States depend, as never before, on the extension of scientific knowledge. Our technological progress requires a higher level of support for basic scientific research from both private and public sources. It also demands a growing supply of highly trained manpower—scientists, engineers, teachers, and technicians.

To this end, I am recommending an expanded program for the National Science Foundation and a new program for the Department of Health, Education, and Welfare. These programs will be closely coordinated. The Foundation is promoting science education and training primarily through grants to universities or fellowships to individuals. The program for the Department of Health, Education, and Welfare will strengthen our general educational base, complement

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the activities of the National Science Foundation, and be channeled mainly through grants to States.

This budget proposes appropriations of $140 million for the National Science Foundation in 1959, more than three times the amount currently authorized. To permit immediate action in stepping up the Foundation's activities, the budget also includes a supplemental appropriation of $10 million for 1958.

These recommendations will enable the National Science Foundation to proceed vigorously in expanding support for basic research. Of the 1959 appropriation, $58 million, double the 1958 amount, is provided for research grants, for research facilities and equipment, and for related activities.

Assistance to basic research is provided also in physical sciences by the Bureau of Standards and in life sciences by the National Institutes of Health. Expenditures included in other parts of the budget for basic research by the Atomic Energy Commission, the National Advisory Committee for Aeronautics, and the Department of Defense will be higher than in the current year. Most of the expenditures will be for research projects carried on by university scientists and, as a byproduct, will contribute importantly to the education of graduate students.

The second major part of the National Science Foundation program is to help meet the need for improving and extending science education. The 1959 budget for the Foundation provides $82 million, including $3 million of administrative expenses, for this purpose, or about five times the present amount. Most of this is for expansion of programs which have proved their worth in improving high school and college science education. These programs include (1) action to interest able students in science careers, (2) measures to improve the methods of teaching and the content of courses in mathematics and science and to give supplementary training to college and high-school teachers, and (3) provision for fellowships to highly qualified college graduates and scientists for advanced study in science and mathematics.

I am recommending that legislation be enacted to authorize a temporary program for the Department of Health, Education, and Welfare to provide grants to help stimulate the State, local, and private action necessary to meet certain critical educational needs. The major objective of this new program will be to provide matching grants to strengthen State departments of education and local school systems, particularly in the administration and teaching of science and mathematics. The new grant program will also foster improvement of general education through grants to States or educational institutions to extend testing and counseling services for young people, provide college scholarships for outstanding high-school graduates,

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strengthen graduate schools, expand the teaching of foreign languages, and improve the adequacy and reliability of educational statistics.

These recommendations for the National Science Foundation and the Department of Health, Education, and Welfare are designed to meet our most urgent needs for support of science, to aid in the identification and encouragement of talent, and to strengthen our teaching staffs. In planning these programs, account has been taken of several important considerations.

First, more effective utilization of available scientists and engineers is the most immediately productive attack on existing shortages in these fields. Action to achieve this is a responsibility of private employers and organizations as well as governmental agencies.

Second, the basic responsibility for science education and training as well as for conduct of research in our country depends primarily on non-Federal support, and requires a thorough understanding of the problem by all our citizens and their wholehearted support. Therefore, I strongly recommend that this Federal participation in the Nation's educational processes be limited to 4 years (allowing additionally for the completion of scholarships granted within these 4 years), and be considered as an emergency stimulant to encourage the States and local communities to bring their educational systems up to date in the light of our modern scientific age. The proposed Federal assistance is carefully designed to insure against any possible domination by the Federal Government of our educational system, which must continue to be locally controlled and operated in accordance with our American tradition.

Third, we must accept the fact that scientists are not trained overnight and science students do not become skilled scientists in a year. New programs in these fields must continue in most instances for a number of years to achieve concrete results. With full awareness of our tradition of not involving the Federal Government in the Nation's public educational processes, this stimulation I have proposed must not be so overemphasized that the programs cannot be later carried on by those who must continue to carry the responsibility—the local school districts, universities, and industry.

Fourth, the needs of our free society cannot be met by improving science and technology alone. The national needs require the development through a strong general educational system of a vast number of aptitudes and skills. Every community in our country should do its level best and if possible more than is now being done to provide better education for the growing number of students. A good deal of improvement in our teaching methods and standards and greater use of our present facilities can be achieved by acquainting the boards of education, superintendents, teachers, parents, and pupils with the needs the country faces.

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Fifth, specialized programs must not be allowed to upset the important balance needed in a well-rounded educational program which must insure progress in the teaching of all areas of learning.

Schools in federally affected areas.—The Federal Government has a responsibility for aiding school districts when it creates serious financial problems for them. It has recognized this responsibility in the past by providing grants to help build and operate schools in districts where enrollment is swelled by Federal activities. Experience with these programs, however, suggests that they should be modified; many of the communities for which grants have been made no longer have problems as acute as those suddenly generated by the migration of workers and families to them during the Korean crisis.

In view of the continued maintenance of a substantial defense establishment with shifting locations, authority for grants for construction and operation of schools should be extended, but the assistance should be restricted to instances where the Federal personnel both live and work on Federal property. However, grants for operation of schools on behalf of people living on taxable property should be gradually reduced during an adjustment period, and then terminated.

Labor and manpower.—Rapid technological developments and constant changes within the economy create complex manpower problems. This budget provides increased grants to the States to handle unemployment compensation claims promptly and to maintain an effective employment service system. The budget also recommends funds for the Department of Labor to carry forward its efforts to help labor and management meet the demand for technicians and skilled workers which accompanies the demand for scientists and engineers.

I again recommend the enactment of legislation to improve the welfare of working men and women. In this field, recommendations are already before the Congress for legislation to assure equal pay for equal work, to revise the laws governing hours of work on Federal construction projects, to extend the coverage of the minimum wage, and to improve the coverage of unemployment compensation. I will make proposals in a special message to the Congress concerning amendments to the legislation on labor-management relations and the registration and safeguarding of union as well as welfare and pension funds.

Health and hospital programs.—Expenditures for health programs have increased sharply since 1955. In 1959 the increase will be largely for construction programs already underway. New obligational authority for health activities is being reduced, principally with respect to construction of hospitals. This will not materially affect the planned level of obligations and expenditures for hospital grants in the fiscal year 1959, because prior-year appropriations are available

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and will be used. New obligational authority of $75 million is recommended for the fiscal year 1959.

The authorizing legislation for hospital construction grants will expire on June 30, 1959. In view of the progress already made toward meeting community hospital requirements for general beds, the Federal program should be modified to meet only the most urgent needs, with emphasis on specialized needs.

The Congress should take action on legislation under which the Federal Government can help the medical and dental schools to build teaching, as well as research, facilities to help meet medical and dental manpower needs.

Social and economic security programs.—Nine out of ten workers are covered under the old-age, survivors, and disability insurance programs, and three out of five are insured against unemployment. These benefits are financed through trust funds supported by special employment taxes. Retirement and survivors insurance is provided as well through trust funds covering railroad workers, Federal civil service employees, and veterans. Many individuals are also eligible under prescribed conditions for public assistance, veterans pensions, military retirement, or other benefits financed from general appropriations in the Federal budget. Of the estimated $22 billion in total expenditures from budget and trust funds for labor and welfare programs and for veterans services and benefits, an estimated $10 billion will be for old-age benefits.

The rapid growth of Federal programs for maintaining individual or family incomes, and the numerous piecemeal liberalizations in the applicable laws, suggest the need for appraising these activities as a whole. The Advisory Council on Social Security Financing is studying some of the problems of retirement and disability insurance financing, and this budget includes funds for other basic studies. In the meantime, technical provisions of the old-age, survivors, and disability insurance legislation should be simplified and the paperwork burden on employers should be lessened by enactment of consolidated annual wage reporting for both income tax and social security payroll tax purposes.

Although Federal old-age, survivors, and disability insurance provides an increasing share of economic security for the aged, the dependent, and the disabled, the Federal Government's expenditures for public assistance continue to mount because of the successive amendments increasing the Federal matching share. These programs are now well established and the individual States have gained experience as to appropriate levels of assistance. In line with my belief that the States should have greater responsibility for programs of this nature, proposals will be sent to the Congress for modernizing the formulas for public assistance with a view to gradually reducing Fed-

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eral participation in its financing. This legislation should be made effective starting in 1960 to assure that the States will have adequate opportunity to adjust their finances and their programs, thus preventing an adverse impact on needy recipients.

The railroad retirement system is a self-financed retirement and social insurance program operated by the Government for the convenience of the railroad workers and industry. The financing of this system is far from sound on an actuarial basis. I reiterate my earlier recommendations that the Congress take steps to increase employer and employee contribution rates sufficiently to correct this inadequate long-term financing.

Legislative action is also needed to place on a sound basis the financing of Federal contributions to the railroad retirement account for time which railroad workers have spent in military service. The Comptroller General has reported that under existing law the Federal Government has appropriated to this fund over $300 million more than the probable actual cost of benefits which will ultimately be paid, based on credits for time spent in military service. The Government should be charged only for the actual cost of benefits as they are paid. At the same time that the Government has been making overpayments to the railroad retirement account, it has been incurring a liability to the old-age and survivors insurance trust fund for similar military service credits. In equity to all concerned, I recommend that overpayments to the railroad retirement account be recovered and applied to meet general budget liabilities to the old-age and survivors insurance trust fund for military service benefits.

COMMERCE AND HOUSING

Net expenditures for commerce and housing programs, in the aggregate, are expected to decline from $2.1 billion in the fiscal year 1958 to $1.6 billion in 1959. The principal reductions arise from proposed legislation to provide more adequate postal rates and from termination under existing law of the authority of the Veterans Administration to make direct loans for housing. Some other expenditures will increase substantially as the result of authorizations made in prior years. The major increases are in the Housing and Home Finance Agency for mortgage purchases and college housing loans, and in the Department of Commerce for improvement of the Federal airways.

I repeat my recommendation of last year for the prompt enactment of appropriate authority under which communities with basic problems of persistent unemployment can be assisted in their solution. Extension of the Export Control Act is recommended. Prompt enactment of legislation to control advertising on the interstate highway system is also recommended.

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COMMERCE AND HOUSING

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Postal service:				
Present program	$518	$686	$684	$701
Proposed legislation			[1] −700	[1] −700
Community development and facilities:				
Urban Renewal Administration:				
Present program	39	61	56	4
Proposed legislation				200
Other	10	28	39	12
Public housing programs	60	71	79	126
Other aids to housing:				
Federal Housing Administration	−39	−53	−80	
Federal National Mortgage Association:				
Present program	−188	−61	139	
Proposed legislation				90
College housing:				
Present program	97	162	219	
Proposed legislation				200
Veterans Administration	77	145	−5	
Other	−6	−1	−23	10
Promotion of water transportation	365	397	407	544
Provision of highways	40	38	7	
Promotion of aviation	295	413	572	654
Other aids to business:				
Small Business Administration:				
Present program	69	84	−27	
Proposed legislation (business loans)			84	39
Other	−10	35	34	47
Regulation of commerce and finance:				
Department of Commerce:				
Present program	7	8	6	6
Proposed legislation (export-control extension)			3	3
Other	37	41	43	43
Disaster insurance, loans, and relief:				
Small Business Administration:				
Present program	5	8	−3	
Proposed legislation (disaster loans)			9	14
Other	15	18	18	
Civil defense:				
Federal Civil Defense Administration:				
Present program	63	67	44	42
Proposed legislation			20	26
Other	−1	(*)	(*)	
Total	1,453	2,146	1,627	[2] 2,061

[1] Does not include $160 million for pay adjustments shown in the budget under allowance for proposed legislation and contingencies.

[2] Compares with new obligational authority of $3,852 million for 1957 and $4,026 million for 1958.

*Less than $500,000.

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Postal service.—In every year since the close of World War II, the postal service has incurred large deficits. These deficits have placed heavy and unfair burdens on the taxpayers, to the special advantage of large users of the mails. Even with the improvements in efficiency in the last few years, expenditures needed in 1959 to provide the minimum requirements for postal service under present legislation will exceed receipts by an estimated $684 million.

The reasons for these chronic deficits are clear. In the quarter century since 1932, postal costs have more than doubled. On the other hand, postage rates for letters and publications are almost identical today with those 25 years ago, and rates for advertising matter have been increased by only 38%. Only parcel post, which is required by law to pay its way, has had rate increases commensurate with cost increases. Meanwhile postal volume has almost tripled. Every expansion in volume at today's postal rates tends to add to the deficit passed on to the general taxpayers.

In meeting this problem the Post Office Department has made effective use in recent years of the management practices successfully developed by private industry. The organization and methods of the Department have been modernized and its administration decentralized in order to meet local needs more promptly and efficiently. Obsolete postal buildings are being replaced or renovated. An aggressive research program has been initiated. Specialized motor vehicles, mail-sorting machines, and other new equipment are being developed and installed. These will provide better service to the public at lower operating cost.

On the other hand, further increases in certain costs in 1959 and later years are expected. An amount of $25 million has been included in the Post Office Department budget to provide for recent and pending increases in charges by railways for transportation of mail. The general allowance for proposed legislation and contingencies also includes $160 million to cover the estimated costs of postal pay increases recommended to become effective July 1, 1958, as part of the general policy on employee pay.

In view of present and prospective postal deficits, legislation to authorize adequate postal rates has become one of the most urgent items of unfinished business before the Congress. The House of Representatives has already approved changes in rates for letters, publications, and advertising mail which would add materially to present revenues, but still leave a large deficit. To provide revenues which will more adequately meet present needs, the pending legislation should be amended, primarily by establishing a 5-cent letter rate on all except local letters. This is more than the 4-cent rate I recommended last year for both local and other letters, but it is needed to take account of the pay increase and other higher costs.

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The recommendations I am making should result in a net increase in postal revenues of about $700 million in the fiscal year 1959. With the postal pay adjustments which are being recommended, the postal deficit will still be substantial.

Legislation now before the Congress should be enacted to authorize the liquidation of the Postal Savings System. In view of the growth of federally insured private savings institutions and the availability of U. S. savings bonds, this system has become unnecessary. Its use has been declining and its termination will free Post Office staff for other duties.

Housing and community development.—Last year our population increased by 3 million people; before another decade passes it will exceed 200 million. Almost 60% of our people work and live in the 174 metropolitan areas and within these areas most of the growth has been in the suburbs. The rapid growth of our population and its increasing concentration in urban and suburban areas have created unprecedented problems for both industry and government in helping achieve the goal of a decent home and a suitable living environment for every American family.

Private industry and State and local governments have the basic responsibility for helping families meet this goal. The Federal Government can help best by guaranteeing loans, encouraging the private market for housing obligations, and by making limited grants to State and local public agencies. We must avoid unnecessary reliance on direct Federal financing. Such financing not only burdens the taxpayer but, more important, by discouraging private financing, limits the total amount of housing activity. To increase the effectiveness of Federal aids, important revisions are proposed in this budget.

Under the Housing Acts of 1949 and 1954, the Urban Renewal Administration makes loans and grants to help remove or prevent the slums which obstruct the orderly development of our cities. In July 1957, 178 federally supported urban renewal projects in 122 cities were actually in process of clearance and redevelopment, and plans were underway for 254 more projects in these and 142 other cities. By the end of the first decade of the program in 1959, over 600 projects will be either completed or in the planning or development stages.

Now that this important program is well underway throughout the Nation and the gains to participating communities have become well recognized, I believe the time has come when States and local communities should assume a share of the administrative responsibilities and financial costs more nearly commensurate with the benefits which their citizens receive. To this end I am recommending a fivefold program.

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First, in the future the local communities should share in the costs of planning from the start. In the past, in most instances, the Federal Government advanced all the money required for planning projects, and the local share was paid only if and when projects based upon these plans went forward. The substitution of this cost-sharing formula for the previous advances will encourage more careful programing of individual projects and will mean fewer cases in which projects are abandoned after significant Federal outlays.

Second, I strongly support the recommendation of the Joint Federal-State Action Committee that each State establish a special agency for urban development, housing, and metropolitan planning to assume, as soon as possible, the financial responsibility for local planning of urban renewal projects. Adoption of this recommendation will be a constructive first step toward increasing the role of the States in this program and should ultimately permit the Federal Government to withdraw from supervision and review of planning.

Third, on all projects initiated in 1960 and later years, the States and localities should be required to provide an increasing share of the cost of buying and clearing the land and other net project costs. The present formula under which the local agency pays for one-third and Federal capital grants pay for the remaining two-thirds of the net project cost should be changed by providing for annual reductions, so that by the fiscal year 1962 the Federal Government would contribute not more than 50% of the cost of local projects. In the interim, the State legislatures will have an opportunity to decide the extent of their future participation and the local communities can likewise adjust their own financial planning.

Fourth, the Federal Government should give positive assurance concerning this program to the States and the cities by authorizing funds now for 1959 and each of the 5 succeeding years. Specifically an additional $200 million for capital grants should be provided in the fiscal year 1959. Since over $50 million in unused authority for capital grants will remain at the beginning of 1959, more than $250 million will be available for grants in that year. For 1960, $250 million should be authorized with a Federal participation of 60% of net project costs. For 1961, the amount should also be $250 million but the Federal share should be 55%. For 1962–64, the amount should be $200 million annually with the Federal share 50%. With the change in the statutory formula, the reduced Federal grants will support a generally larger urban renewal program.

Fifth, consideration should be given to authorizing the Urban Renewal Administration to help local public agencies finance non-residential urban renewal projects which do not require Federal capital grants by guaranteeing obligations issued to finance such projects. In many communities, the increased property taxes obtain-

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able from this type of redevelopment are so substantial that private financing should be obtained without ultimate net cost to the Federal Government.

Capital grants are only part of the present and prospective requirements for Federal support for the urban renewal program. It is estimated that in 1959 the Federal National Mortgage Association will make commitments of $250 million for the purchase of federally insured mortgages on housing in urban renewal areas and on housing for families displaced by this and other government programs. The amount of these mortgage purchase commitments arises partly from the statutory requirement that all purchases by the Association be made at par—considerably above the prices which private lenders would be willing to pay. As I have previously urged, this requirement should be repealed. With more realistic mortgage prices, it should be possible to restore the incentive for private financing originally intended under the Housing Act of 1954 and thus avoid the necessity for additional large amounts of new obligational authority to finance purchases of mortgages under this program and under programs for armed services and cooperative housing. Even without par purchases, however, the Association will require $90 million of new obligational authority in 1959 to purchase mortgages which are not currently acceptable to private lenders. As urban renewal receives greater local support, these mortgages should become increasingly attractive for private financing, and hence the present special assistance program for them should be looked upon as a temporary stimulant only.

An estimated 81,000 families will be displaced from their homes in 1959 by urban renewal projects, highway construction, and other governmental (primarily State and local) action. Most of these families can afford standard housing available in the private market, and, if necessary, they can obtain insured mortgages which are eligible for purchase by the Federal National Mortgage Association. To make this program effective in high cost areas, the maximum amount of a mortgage that can be insured should be increased from $10,000 to $12,000 for single-family homes. The Public Housing Administration has authority to meet anticipated requests from local public agencies for loans and contributions to support the needed housing for families of lower income. To assure orderly provision of such units, the time limits governing this authority need to be extended beyond present expiration dates.

With the expiration in July 1958 of the special loan guaranty benefits for veterans of World War II and of the direct housing loan program for all veterans, the Federal Housing Administration again becomes the only Federal agency providing comprehensive insurance or guaranties of private housing credit. At my request, the Congress

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last year liberalized the terms under which Federal Housing Administration mortgages were insured, making broader benefits available for the general public, including veterans. To strengthen further the mortgage insurance and guaranty programs, I shall recommend legislation to revise ceilings on interest rates and to remove discount controls which now discourage private financing of military housing and certain other FHA-insured mortgages and which prevent many veterans of the Korean conflict from using their continuing loan guaranty benefits. To make the liberal terms of insured mortgages available for larger and better houses, the maximum mortgage amount on owner-occupied housing should be increased to $30,000. To provide more effective financing aids for housing built for the elderly, the special provisions in existing programs should be liberalized and consolidated into a separate rental housing program for elderly persons. Finally, to give continuing assurance to home buyers, builders, and lenders of the availability of mortgage insurance, an additional $3 billion per year should be authorized in the maximum permissible dollar amount of outstanding FHA-insured mortgages during each of the next 5 fiscal years.

To meet the increased needs for college housing arising from soaring enrollments, Federal loans to colleges should be entirely for essential dormitories and faculty housing, and should no longer be made for student unions and other less essential facilities. Private financing should be encouraged by (1) replacing the subsidized interest rates required by the present statute with rates in no event less than the Government's costs, (2) authorizing Federal guaranties of college housing obligations which do not have Federal tax exemption, and (3) prohibiting direct loans where private funds are available on reasonable terms. In addition, new obligational authority of $200 million is needed for the fiscal year 1959.

Water transportation.—Our maritime legislation, originally enacted in 1936, is being reviewed with the aim of reducing future Government subsidies to the minimum amount consistent with the national interest. For example, it appears that the replacement period for ships receiving operating subsidies might well be extended from the present 20-year period to 25 or more years. This review will include the laws governing both construction and operating subsidies to determine what changes, if any, are needed. To the extent that changes are desirable, appropriate recommendations will be made.

Promotion of aviation.—New obligational authority and expenditures for promotion of aviation will again increase substantially under the 1959 budget, primarily to expand the capacity of the Federal airways to accommodate the rapid growth of air traffic and the new types of high-speed aircraft soon to be in operation. The Civil Aeronautics

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Administration will require $230 million to operate and maintain the airways system and to enforce air safety regulations and $175 million for procurement of new airways facilities. The amounts for facilities in 1959 and later years will be less than would otherwise be needed because of the recently completed arrangements for sharing facilities and data with the Department of Defense. New obligational authority of $35 million is requested for the Airways Modernization Board, recently established to undertake needed research and development on improvement of air traffic control and navigation facilities. At the same time supplemental appropriations of $12 million are requested for the fiscal year 1958 and new obligational authority of $107 million for 1959 to permit the National Advisory Committee for Aeronautics to expand its research and development activities dealing with basic problems involved in the flight of aircraft, ballistic and guided missiles, and space vehicles.

To pay a substantial part of the cost of operating the airways system, I am recommending increased taxes on aviation fuels. I also think we should redouble our efforts to find ways and means to reduce and ultimately eliminate all subsidies for airlines.

Small business.—The Small Business Administration has been providing extensive financial and technical assistance to small businesses, as well as disaster loans to businesses and homeowners, under temporary authority expiring July 31, 1958. The experience of its first 4½ years has demonstrated the importance of these programs. Accordingly, I recommend that the limitation on the life of the Administration be removed and that new obligational authority of $53 million be provided. Including the proceeds from the increasing repayments on earlier loans, this will provide $161 million for new direct loans, participating loans, and other aids to small business during the fiscal year 1959. As mentioned earlier, certain tax revisions to aid small business should be enacted.

Civil defense.—Our civilian defenses must be further strengthened through joint Federal-State action. To carry out this purpose, recommendations were transmitted to the last session of the Congress to provide for greater Federal sharing with the States of costs of civil defense personnel and administration and for placing added responsibility on the Federal Government for civil defense. New obligational authority of $26 million is provided in the budget for the first-year cost of this legislation, which has been approved by the House of Representatives and is pending in the Senate.

Expenditures for activities designed to promote the defense of the civilian population against nuclear attack are estimated to be about the same in the fiscal year 1959 as in the current year. The question of a shelter program is under consideration and tests of various types

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of shelters are continuing. The budget provides for extending and improving the attack warning system, and for expanding research and training in civil defense problems. These increases will be offset by a temporary suspension of procurement of medical supplies.

The structure of Federal organization for the planning, coordination, and conduct of our nonmilitary defense programs has been reviewed, and I have concluded that the existing statutes assigning responsibilities for the central coordination and direction of these programs are out of date. The rapid technical advances of military science have led to a serious overlap among agencies carrying on these leadership and planning functions. Because the situation will continue to change and because these functions transcend the responsibility of any single department or agency, I have concluded that they should be vested in no one short of the President. I will make recommendations to the Congress on this subject.

VETERANS SERVICES AND BENEFITS

Expenditures for Federal services and benefits to veterans in the fiscal year 1959 are estimated to be $5 billion. This amount is $219 million greater than expenditures in 1957, but $22 million lower than the estimate for the current year. The expenditures estimated for 1959 reflect the cost of increases in disability compensation rates enacted in the past session of Congress and a steady growth in non-service-connected pension caseloads. On the other hand, reductions which exceed the increases in compensation and pensions will result from a decline in the readjustment needs of veterans of the Korean conflict and from economies in operations.

VETERANS SERVICES AND BENEFITS

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Readjustment benefits:				
Education and training	$774	$729	$626	$625
Loan guaranty and other benefits	73	93	93	93
Unemployment compensation	53	44	18	19
Compensation and pensions	2,870	3,107	3,232	3,232
Hospital and medical care	765	807	804	806
Hospital construction	36	39	36	9
Insurance and servicemen's indemnities	47	44	40	52
Other services and administration (Veterans Administration and others)	175	171	162	160
Total	4,793	5,034	5,012	[1] 4,996

[1] Compares with new obligational authority of $4,870 million for 1957 and $5,013 million for 1958.

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In addition to these programs financed from regular appropriations, large veterans insurance operations are carried on through the trust funds reported in part III of the budget. Payments and dividends of $682 million are expected to be disbursed to veterans and their survivors from these insurance funds in the fiscal year 1959.

Under existing laws, our country is faced in the long run with large and increasing expenditures for veterans programs. While a further decline in readjustment benefits may be expected during the next several years, costs for pensions for needy veterans will increase sharply. These pensions meet needs not related to the veteran's period of service, but rather to the hazards to health and income that generally grow with increasing age. Fundamental changes have taken place in our society in the last several decades which require us to reconsider the laws providing veterans benefits and services which now overlap other growing public benefit and welfare programs. As I indicated last summer, a message on veterans affairs will be sent to the Congress at an early date. In that message there will be set forth for the consideration of the Congress recommendations for specific adjustments and improvements in the compensation, pension, and related programs which will enable us to discharge our national responsibilities to veterans with the greatest possible equity to all concerned.

The budget makes provision for new obligations of $50 million during 1959 for construction, modernization, and repair of hospital and domiciliary facilities. However, substantial unobligated balances of prior-year appropriations reduce the need for new appropriations for construction purposes to $9 million. The general operating expenses of the Veterans Administration will be reduced more than 5% in the coming year because of numerous administrative improvements and declining workloads in the readjustment benefits programs.

AGRICULTURE AND AGRICULTURAL RESOURCES

Expenditures for agriculture and agricultural resources have amounted to over 30% of the Federal expenditures for civil benefits in the fiscal years 1956 and 1957 and are estimated to take almost as large a proportion in 1958. This compares with a little over 20% in 1953 and 1954. In this budget, I am recommending important revisions in our price support, conservation, and rural credit programs to place them on a sounder long-term basis with less reliance on the Federal Treasury. These revisions will result in only moderate reductions in budget expenditures in the fiscal year 1959, but should result in more significant reductions in 1960 and later years.

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AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Stabilization of farm prices and farm income:				
Commodity Credit Corporation:				
Commodity loans and purchases:				
Present program	$3,352	$3,081	$2,506	
Proposed legislation (extension of title I of Public Law 480)		28	95	
Payments to producers and purchasers:				$1,790
Present programs	118	135	34	
Proposed legislation (special milk programs)			75	
Carrying charges and operating expenses	1,006	1,166	1,234	
Receipts (sales for dollars and other adjustments)	−1,793	−1,666	−1,564	
Subtotal, Commodity Credit Corporation	2,684	2,745	2,380	1,790
Soil bank (excluding conservation practice payments)	535	620	604	529
Removal of surplus agricultural commodities	171	150	150	228
Sugar Act, acreage allotments, and other:				
Present programs	121	113	122	122
Proposed legislation (acreage allotments)			−2	−2
Total, stabilization of farm prices and farm income	3,511	3,628	3,253	2,667
Conservation of agricultural land and water resources:				
Agricultural conservation program	249	251	227	235
Soil bank (conservation practice payments)	13	86	152	151
Soil Conservation Service, watershed protection, Great Plains, and other	89	105	112	110
Financing rural electrification and rural telephones	267	339	376	215
Financing farm ownership and operation:				
Farmers' Home Administration	245	270	208	208
Disaster loans	10	−8	−2	
Farm Credit Administration	−28	−5	−4	2
Research and other agricultural services	227	259	279	261
Total, agriculture and agricultural resources	4,582	4,924	4,601	[1] 3,849

[1] Compares with new obligational authority of $5,298 million for 1957 and $6,393 million (including $2,187 million of anticipated supplemental authorizations) for 1958.]

Estimated expenditures in 1959 are $4.6 billion, the same as in 1957, but $0.3 billion less than in the current year. The anticipated decline is primarily in the operations of the Commodity Credit Corporation. Total new authority to incur obligations requested for agriculture and agricultural resources in 1959 is $3.8 billion. This amount includes $1.8 billion to restore the capital of the Corporation for price support losses realized in the fiscal year 1957; those losses were reflected in budget expenditures in 1957 and prior years.

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Price supports and related programs.—Expenditures for price supports and other programs to stabilize farm prices and farm income have averaged more than $3.5 billion per year during the last 3 fiscal years. Under present farm laws these expenditures are likely to continue at high levels. Our system of price supports has tended to price key farm commodities as if they were scarce, stimulating continued production in excess of the quantities that existing markets can take at these prices. Controls have not been effective in reducing overall agricultural production, despite the severe restrictions they impose on farmers' freedom to produce and market. As a result, the Government has become the market for huge quantities of agricultural commodities, and our surplus disposal operations have been greatly expanded both at home and abroad. Present agricultural policy, therefore, places a heavy burden on taxpayers and complicates our foreign-trade relations.

A technological explosion is occurring on American farms as can be seen from the fact that production per farm worker has doubled in the last 15 years. A new dimension in farm policy has been created which makes it virtually impossible to curtail agricultural output with the type of controls acceptable in our society. Under these circumstances, farm products are likely to continue to be abundant, and we cannot successfully continue with present obsolete legal formulas governing acreage allotments and price supports.

I shall send to the Congress shortly a special message recommending certain changes in existing legislation that will permit the Secretary of Agriculture to establish price supports for basic crops consistent with the increased productive capacity of our agriculture. These measures could not begin to have a significant effect in freeing the farm economy from Government controls before 1960 under a program of gradual adjustment of production to normal market demands.

Titles I and II of the Agricultural Trade Development and Assistance Act of 1954 expire on June 30, 1958. Although sales of surplus agricultural commodities for foreign currencies under title I of this act do not provide a solution to the basic problem of adjusting agricultural production, they have proved to be an important temporary method of coping with problems arising out of the longtime accumulation of surplus agricultural commodities. This budget proposes extension of titles I and II of this act for 1 additional year, with an increase from the present $4 billion to $5.5 billion in the authorization for the Commodity Credit Corporation to incur costs and losses under title I. Such an authorization does not constitute new obligational authority, but the resulting costs and losses necessitate new obligational authority in future years to reimburse the Corporation. The budget includes, therefore, an anticipated 1958 supplemental appropria-

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tion of $1.3 billion to reimburse the Corporation for the 1957 program. The operations of title I of this act and the uses of the foreign currencies are summarized in the Department of Agriculture chapter of part II of the budget.

Both the acreage reserve and the conservation reserve programs of the soil bank have been helpful in diverting cropland from the production of agricultural commodities that are in excess supply. After careful consideration, however, I believe that more material and lasting benefits per dollar spent, both in reducing production of surplus crops and in obtaining enduring conservation of the Nation's agricultural resources, will be achieved under the conservation reserve program. This budget, therefore, proposes termination of the acreage reserve program at the end of the 1958 crop year, and recommends a conservation reserve program of $450 million for the 1959 calendar year, an increase of $125 million above the program for 1958.

I also recommend that the special school milk program be extended after its present expiration date of June 30, 1958, that the National Wool Act be extended, and that legislation be enacted to require a greater sharing by the States in the costs of disaster relief assistance to farmers.

Agricultural conservation program.—The budget includes $235 million in new obligational authority to finance cost-sharing payments to farmers in the fiscal year 1959 for conservation practices performed during the 1958 crop year. These payments were authorized by the 1958 agricultural appropriation act. I am recommending that a program level of $125 million be authorized for the 1959 crop year. This amount, together with other public efforts in support of soil and water conservation, will permit cost-sharing payments for the more permanent soil and water conservation practices that are needed to maintain an adequate agricultural resource base. Those practices which are a part of usual and required annual farming methods or which return immediate benefits to the farm are properly the responsibility of the farmer, rather than of the Government. Thus, the appropriation required for the fiscal year 1960 can be reduced to approximately $125 million.

Agricultural credit programs.—The budget includes a new authorization of $206 million for loans to electrification and telephone borrowers. Over the years the Rural Electrification Administration programs have done much to enrich the lives of our rural families, and have contributed greatly to the advance of rural America and our country's economy generally. The increased use of power requires additional generating capacity and heavier transmission and distribution facilities

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to meet the growing needs for electricity in rural areas. Approximately one-half of REA electric power now goes to rural industrial and nonfarm residential consumers, and in the future these nonfarm users will account for a larger share of the increasing demands. This situation, together with the present state of development of rural electric cooperatives, clearly indicates that it would be in the public interest to broaden the sources of capital from which the REA system may obtain the financing necessary for continued growth and adequate service to consumers. Therefore, legislation will be proposed (1) to assist both electric and telephone borrowers to obtain financing from private sources where the security is adequate and the loans can be repaid within a reasonable time, and (2) as previously mentioned in this message, to adjust interest rates on future loans for all loan programs to meet the Government's costs.

Disbursements for direct loans under the loan programs of the Farmers' Home Administration, exclusive of farm housing loans, are expected to amount to $231 million in the current fiscal year. This budget recommends a reduction of the authorization for these direct loans to $175 million for 1959. The Farmers' Home Administration will continue to assist farmers in arranging operating loans from other sources. Also, legislation will be proposed to encourage private investors to make more insured real estate loans.

Utilization research.—During the past year, the Commission on Increased Industrial Use of Agricultural Products made a report to me and to the Congress which emphasizes the importance of research on utilization of farm products. Our present research on industrial uses of farm products is, therefore, being expanded as a step in carrying out some of the Commission's recommendations. Appropriations recommended for 1959 provide $19 million for domestic utilization research, and, to the extent feasible, steps will be taken to make available to the Department in the fiscal year 1959 up to an additional $5 million of foreign currencies, obtained from the sale of surplus agricultural commodities, to contract for utilization research abroad. The research financed by foreign currencies will be directed toward increasing acceptance and use of our farm commodities and their products in foreign markets. Together with the amounts provided for the Forest Service (classified under natural resources) $26 million is estimated to be available for utilization research.

The Department will continue to review its research activities, particularly in farm production, with the objective of placing increased emphasis on utilization research wherever this is feasible. Studies are proceeding to determine the most effective organizational arrangements for conducting this research within the Department.

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NATURAL RESOURCES

The 1959 budget recommendations for natural resource programs contemplate the greatest possible economy in the use of Federal dollars, with due regard to the effectiveness of these programs in contributing to national security and long-term economic growth.

This budget contemplates curtailing some programs and stretching out construction on certain public works projects where this can be done without impairing the value of investments previously made. At the same time, there will be necessary increases in expenditures for public works, because of the many commitments made for projects started in previous years. Total Federal expenditures for natural resources will increase $35 million over the current year. These expenditures are estimated to be $1.5 billion in the fiscal year 1959, of which about $1 billion will be for the development of water resources.

There should be increased financial participation by State and local agencies and private interests in conservation and development programs. Such participation multiplies the effectiveness of Federal Government expenditures for these programs. In particular, there should be a uniform and consistent basis of local sharing of the costs on all projects involving flood control which produce identifiable benefits to local groups.

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Land and water resources:				
Corps of Engineers, civil functions	$610	$630	$665	$628
Department of the Interior:				
Bureau of Reclamation	171	199	216	202
Power marketing agencies	42	41	38	36
Indian lands resources	39	42	50	35
Public domain lands and other	24	28	29	28
Saint Lawrence Seaway Development Corporation	37	44	19	----
Tennessee Valley Authority:				
Present program	−7	41	47	17
Proposed legislation	----	----	13	125
Department of State	3	6	5	4
Federal Power Commission	5	6	6	6
Forest resources	162	171	169	170
Fish and wildlife resources	51	65	58	58
Recreational resources	59	78	73	40
Mineral resources	62	63	56	51
General resource surveys and other	38	43	47	46
Total	1,296	1,457	1,492	[1] 1,446

[1] Compares with new obligational authority of $1,355 million for 1957 and $1,439 million for 1958.

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Many of the resource programs yield financial receipts, most of which come from sale of power and timber and from mineral leases on the public lands and the Outer Continental Shelf. These receipts are estimated to be $859 million in the fiscal year 1959. The estimated expenditures for 1959 include shared-revenue payments of $78 million of these receipts to States and counties.

Water resources.—The construction activities of the Corps of Engineers and the Bureau of Reclamation for flood control, navigation, irrigation, water supply, and power projects will be limited in 1959 to orderly continuation of work started in prior years. For the fiscal years 1956, 1957, and 1958, a total of $210 million was provided as the first-year appropriations for starting 407 new projects having an estimated total cost of $4.5 billion. As a result, expenditures for these two agencies in 1959 will be higher than in any of the 5 preceding years and will increase further in 1960. We should not at this time add to this extremely high level of commitments by starting any new projects in 1959.

Construction on 309 water resources projects which these agencies will have underway in 1958 will go forward in 1959 as economically as possible. Expenditures for maintenance and operation of present facilities in 1959 will be at levels which will provide reasonable protection of the Federal investment.

In the interest of sound and efficient water resources programs in coming years, funds have been provided to continue investigations and advance planning and to assemble basic data for future projects.

In accordance with my earlier recommendations, both Houses of the Congress have had under consideration legislation which would authorize the sale of revenue bonds by the Tennessee Valley Authority. I hope that action on appropriate legislation will be speedily concluded in order that the Tennessee Valley Authority may be in a position to meet approved needs for new generating facilities, with the Congress still retaining budgetary control of the program. This budget includes, under proposed revenue-bond legislation, $125 million to finance the construction of additional power generating units.

INTEREST AND GENERAL GOVERNMENT

Interest expenditures of $7.9 billion, predominantly on the public debt, will account for 11% of budget expenditures in the fiscal year 1959.

Expenditures for general government, primarily for central administrative costs not classified among the other major activities, will be held to about the 1958 level despite increases in workload accompanying the normal growth of population. The estimated total expenditures in 1959 of $1.4 billion are less than 2% of the total budget.

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INTEREST

The estimated interest payments in 1959 will be about the same as in 1958. During the past several years, market rates of interest have been steadily increasing until recent months, reflecting the heavy competition for savings to finance record levels of capital investment. These higher rates have meant corresponding increases in the budget cost of refinancing the large volume of maturing Government obligations. With recent changes in interest rates, however, no further increase in payments for 1959 is now estimated.

INTEREST

[Fiscal years. In millions]

Item	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Interest on the public debt	$7,244	$7,800	$7,800	$7,800
Interest on refunds of receipts	57	61	62	62
Interest on uninvested funds	6	6	7	7
Total	7,308	7,867	7,869	7,869

Apart from fluctuations in rates, the level of interest payments is determined by the size and composition of the public debt. The only sound long-run method of reducing this cost is to balance the budget, economic conditions permitting, and apply the surplus revenues to reducing the debt.

GENERAL GOVERNMENT

If we are to retain in Government service the highly skilled and able civilian employees who contribute so much to the Nation's strength, it is clear that certain revisions are needed in the statutory pay structures for these employees, as well as for military personnel. My proposals for such revisions, to be effective July 1, 1958, and for other civilian personnel legislation, will be submitted to the Congress at an early date.

This budget includes in the 1959 allowance for proposed legislation and contingencies $160 million to meet the cost of pay revisions for postal employees and $179 million for employees in all other agencies except the Department of Defense. The budget for the Department of Defense, the Government's largest employer, makes allowance for its share of the additional cost.

While the adjustments which will be proposed under the Classification Act will affect rates of pay at all levels, they will have as a primary objective more adequate compensation for those whose present salary

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is substantially less than their responsibilities. Salary rates for junior and intermediate scientific and managerial grades should be more nearly competitive with non-Federal rates. Pay relationships in the middle and upper grades should be revised to provide greater incentive for those who assume increased responsibilities and demonstrate their proficiency in discharging them. Statutory limitations on the number of positions in the highest pay grades should be removed altogether, to permit more reasonable salaries for scientists and executives carrying heavy burdens of leadership and decision. Structural revision of the postal pay system has already been substantially accomplished but a general pay increase under that system is now appropriate.

Last year I recommended a program of hospitalization and medical insurance for Government employees. In view of the priority given to recommended pay adjustments, I propose that this health insurance program be postponed.

To carry out the recommendation of the Hoover Commission for improving career opportunities and effectiveness in the civil service, legislation should be enacted to authorize the training of Government employees outside as well as within the agencies in which they are employed. Legislation should also be enacted to provide for each employing agency to bear its share of the cost of accident compensation benefits.

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Legislative functions	$90	$101	$112	$82
Judicial functions	40	44	46	46
Executive direction	12	14	14	14
Federal financial management	476	508	507	508
General property and records management	194	255	275	266
Central personnel management and employment costs	[1] 627	124	108	108
Civilian weather services	38	39	41	40
Protective services and alien control	187	193	197	198
Territories and possessions and the District of Columbia:				
Present program	74	81	91	90
Proposed legislation (land acquisition, National Capital Planning Commission)	----------	(*)	4	1
Other general government	51	17	8	9
Total	1,789	1,377	1,403	[2] 1,362

[1] Includes Government payment to the civil service retirement and disability fund. Starting in 1958, this payment was allocated among all employing agencies.

[2] Compares with new obligational authority of $1,833 million for 1957 and $1,368 million for 1958.

*Less than $500,000.

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In order to meet the most pressing needs for new Federal buildings, the authority of the General Services Administration and the Post Office Department to enter into lease-purchase contracts should be extended.

I have been advised by the Attorney General that section 601 of Public Law 155, 82d Congress, concerning certain real estate transactions, reflects the exercise of legislative authority not warranted by the Constitution and that it is therefore unconstitutional. I recommend immediate repeal of this provision.

In furtherance of the invitation extended by the United States to hold the Eighth Olympic Winter Games in this country in 1960, I recommend that the Congress authorize the expenditure of not more than $4 million to assist in the construction of adequate facilities for the games and to defray the costs of providing assistance to the games by elements of our Armed Forces.

Legislation now pending before the Congress to place Government appropriation requests on an accrued expenditure basis should be enacted, in accordance with the recommendations of the Hoover Commission. This is a businesslike approach and it is hoped that the opposition that developed in the past will be withdrawn as a result of further study and modifications in the way the procedure is to be applied. Likewise, efforts to achieve economy in Government would be greatly helped by legislation authorizing an item veto. This legislation would change the present situation under which every appropriation bill must be approved or disapproved as a whole, regardless of the merits or demerits of its individual items.

Last year, the Congress enacted legislation to cover some of my most urgent proposals for amending the immigration laws. I urge that legislation on my remaining proposals be promptly enacted.

I recommend again that the Congress enact suitable legislation providing for home rule in the District of Columbia. Under any such system the citizens of the District should be authorized to elect local officials, to vote in Federal elections, and to have a delegate in the House of Representatives.

I also recommend that the Congress complete action on appropriate legislation admitting Hawaii and Alaska into the Union as States.

Americans have a tradition of uniting in action when their freedoms and welfare are threatened. We do not shirk our clear responsibilities when new challenges arise.

I feel confident that this budget expresses the way in which the American people will want to respond to the promises and dangers of

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the dawning age of space conquest. New dimensions must be added to our defenses, and outmoded activities must be discarded. Closer international cooperation is vital in a world where great distances are losing their meaning. As we devote more of our efforts and resources to these compelling tasks, we will have to limit our demands for less essential services and benefits provided by the Federal Government.

Our response must rise above personal selfishness, above sectional interests, above political partisanship. The goal of lasting peace with justice, difficult though it may be to achieve, is worth all of our efforts. We must make the necessary sacrifices to attain it. Our own people demand it and the nations of the world look to us for leadership.

DWIGHT D. EISENHOWER.

JANUARY 13, 1958.

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PART I

SUMMARY TABLES

Table 1. Summary of Budget Receipts and Expenditures
Table 2. Summary of Budget Expenditures (by Agency)
Table 3. Summary of New Obligational Authority (by Function and Agency)
Table 4. Summary of Changes in Status of Public Debt
Table 5. Summary of Budget and Trust Transactions for Fiscal Year 1959

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INTRODUCTION TO PART I

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

TYPES OF FUNDS

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

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

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

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

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

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

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

BUDGET RECEIPTS, EXPENDITURES, AND SURPLUS OR DEFICIT

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

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

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

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

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

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

Eliminations from both receipts and expenditures.—Certain transfers from one fund to another are eliminated from budget receipts and expenditures. This is done to avoid inflating both sides of the budget. Payments to the general fund of earnings and dividends on capital of revolving funds, and the return of such capital to the general fund are the items so excluded.

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

NEW OBLIGATIONAL AUTHORITY

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

The obligation basis.—Expenditures can be made only pursuant to appropriations or other specific authority granted by Congress. Government agencies are generally permitted by law to incur obligations requiring the future

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

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

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

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

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

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

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

PROPOSED FOR LATER TRANSMISSION

Tables 1, 2, and 3 identify in separate columns the portion of receipts, new obligational authority, and expenditures which are anticipated under proposed legislation and supplemental budget items under existing legislation. Such items are not provided for in the appropriation text included in this budget, but will be formally transmitted to the Congress later. Such estimates include, in addition to the various items which are identified in part II, an "allowance for proposed legislation and contingencies" to cover items which cannot be foreseen now but which will be transmitted later when definite amounts can be determined and the needs can be more specifically identified. Congressional action upon this allowance will be requested later, not at a single time nor as a single lump-sum item, but in the form of a number of specific appropriations for individual items.

The items estimated herein, for both 1958 and 1959, but planned for formal presentation to the Congress later, appear in the budget under the heading "Proposed for later transmission."

EFFECT ON THE DEBT

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

CONSOLIDATED STATEMENT

Table 5 brings together the total financial plan for the Government—the budget figures for Federal funds and the estimates for trust and deposit funds—for 1959; and it presents a consolidated statement of receipts from and payments to the public. The statement not only eliminates interfund payments, but also brings in certain transactions of Government-sponsored enterprises which are not otherwise reflected in the budget, converts to a cash basis those expenditures which are made in the form of debt issuances (or increases in the redemption value of debt), and eliminates noncash receipts resulting from seigniorage. Details on a 3-year basis and further explanations are given in special analysis A of part IV.

CLASSIFICATIONS

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

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

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TABLE 1

SUMMARY OF BUDGET RECEIPTS AND EXPENDITURES

Based on existing and proposed legislation

[In millions]

Description	1957 actual	1958 estimate			1959 estimate		
		Under existing laws and authorizations enacted or recommended	Proposed for later transmission	Total	Under existing laws and authorizations enacted or recommended	Proposed for later transmission	Total
BUDGET RECEIPTS (special analysis B):							
Individual income taxes	**$35,620**	$37,200	----------	**$37,200**	$38,500	----------	**$38,500**
Corporation income taxes	**21,167**	20,385	----------	**20,385**	19,500	$900	**20,400**
Excise taxes	**9,055**	8,898	----------	**8,898**	8,098	1,182	**9,280**
Employment taxes	**328**	339	----------	**339**	347	----------	**347**
Estate and gift taxes	**1,365**	1,486	----------	**1,486**	1,570	----------	**1,570**
Customs	**735**	765	----------	**765**	780	----------	**780**
Miscellaneous budget receipts	**2,760**	3,327	----------	**3,327**	3,523	----------	**3,523**
Budget receipts	**71,029**	72,400	----------	**72,400**	72,318	2,082	**74,400**
BUDGET EXPENDITURES (special analysis C):							
Major national security	**44,414**	44,696	$175	**44,871**	43,381	2,455	**45,836**
International affairs and finance	**832**	1,455	13	**1,468**	994	318	**1,312**
Veterans' services and benefits	**4,793**	4,734	300	**5,034**	5,012	----------	**5,012**
Labor and welfare	**2,966**	3,236	207	**3,443**	3,425	218	**3,643**
Agriculture and agricultural resources	**4,582**	4,896	28	**4,924**	4,433	168	**4,601**
Natural resources	**1,296**	1,442	16	**1,457**	1,473	20	**1,492**
Commerce and housing	**1,453**	2,136	10	**2,146**	2,184	[2] −556	**1,627**
General government	**1,789**	1,358	19	**1,377**	1,398	5	**1,403**
Interest	**7,308**	7,867	----------	**7,867**	7,869	----------	**7,869**
Allowance for proposed legislation and contingencies:							
Pay adjustment:							
Postal	----------	----------	----------	----------	----------	160	**160**
Other (excluding Department of Defense)	----------	----------	----------	----------	----------	179	**179**
Defense contingencies	----------	----------	----------	----------	----------	500	**500**
Other contingencies	----------	----------	200	**200**	----------	300	**300**
Budget expenditures	**69,433**	71,821	968	**72,788**	70,168	3,766	**73,934**
Budget surplus (+) or deficit (−)	**+1,596**			**−388**			**+466**

[2] Includes proposed postal rate increase of $700 million.

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TABLE 2

SUMMARY OF BUDGET EXPENDITURES

BY AGENCY

[In millions]

Description	1957 actual	1958 estimate			1959 estimate		
		Under authorizations already enacted	Proposed for later transmission	Total	Under authorizations enacted or recommended in this document	Proposed for later transmission	Total
Legislative branch	**$97**	$116		**$116**	$126		**$126**
The judiciary	**39**	43	(1)	**44**	45	$1	**46**
Executive Office of the President	**10**	12		**12**	12		**12**
Funds appropriated to the President:							
Mutual security	**3, 950**	3, 749		**3, 749**	2, 890	978	**3, 868**
Other	**160**	405		**405**	302		**302**
Independent offices:							
Atomic Energy Commission	**1, 990**	2, 300		**2, 300**	2, 530	20	**2, 550**
Veterans Administration	**4, 805**	4, 831	$292	**5, 124**	4, 977		**4, 977**
Other	**916**	1, 013	8	**1, 021**	605	140	**745**
General Services Administration	**558**	444	3	**447**	413	(1)	**413**
Housing and Home Finance Agency	**−23**	202	5	**207**	455		**455**
Department of Agriculture	**5, 006**	5, 295	32	**5, 327**	4, 813	168	**4, 981**
Department of Commerce	**562**	652	(1)	**652**	800	3	**803**
Department of Defense—Military Functions	**38, 439**	38, 686	175	**38, 861**	38, 008	1, 771	**39, 779**
Department of Defense—Civil Functions	**639**	660	2	**662**	696	5	**701**
Department of Health, Education, and Welfare	**2, 295**	2, 569	176	**2, 745**	2, 644	210	**2, 854**
Department of the Interior	**572**	637	10	**647**	661	1	**663**
Department of Justice	**214**	222	(1)	**223**	228	(1)	**228**
Department of Labor	**418**	411	52	**463**	452		**452**
Post Office Department	**518**	686		**686**	659	[2] −675	**−16**
Department of State	**179**	215	13	**228**	225	4	**228**
Treasury Department	**8, 061**	8, 641		**8, 641**	8, 591		**8, 591**
District of Columbia	**26**	30		**30**	38		**38**
Allowance for proposed legislation and contingencies:							
Pay adjustment:							
Postal						160	**160**
Other (excluding Department of Defense)						179	**179**
Defense contingencies						500	**500**
Other contingencies			200	**200**		300	**300**
Budget expenditures	**69, 433**	71, 821	968	**72, 788**	70, 168	3, 766	**73, 934**

[1] Less than one-half million dollars.

[2] Includes proposed postal rate increase of $700 million.

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TABLE 3

SUMMARY OF NEW OBLIGATIONAL AUTHORITY

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1957 enacted	1958 estimate			1959 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
BY FUNCTION							
Major national security	**$41, 344**	$39, 725	$1, 270	**$40, 995**	$39, 216	$5, 082	**$44, 298**
International affairs and finance	**1, 131**	1, 154	2, 139	**3, 292**	326	1, 290	**1, 615**
Veterans' services and benefits	**4, 870**	4, 713	300	**5, 013**	4, 996	----------	**4, 996**
Labor and welfare	**3, 189**	3, 302	268	**3, 571**	3, 340	276	**3, 616**
Agriculture and agricultural resources	**5, 298**	4, 205	2, 187	**6, 393**	3, 852	—2	**3, 849**
Natural resources	**1, 355**	1, 417	22	**1, 439**	1, 321	125	**1, 446**
Commerce and housing	**3, 852**	4, 009	17	**4, 026**	2, 165	[2] —103	**2, 061**
General government	**1, 833**	1, 345	23	**1, 368**	1, 361	1	**1, 362**
Interest	**7, 307**	7, 867	----------	**7, 867**	7, 868	----------	**7, 868**
Allowance for proposed legislation and contingencies:							
Pay adjustment:							
Postal	----------	----------	----------	----------	----------	160	**160**
Other (excluding Department of Defense)	----------	----------	----------	----------	----------	179	**179**
Defense contingencies	----------	----------	----------	----------	----------	500	**500**
Other contingencies	----------	----------	400	**400**	----------	500	**500**
Total new obligational authority	**70, 179**	67, 738	6, 627	**74, 365**	64, 445	8, 007	**72, 452**
BY AGENCY							
Legislative branch	**91**	99	----------	**99**	99	----------	**99**
The judiciary	**40**	43	1	**44**	46	----------	**46**
Executive Office of the President	**11**	12	----------	**12**	12	----------	**12**
Funds appropriated to the President:							
Mutual security	**3, 807**	2, 764	----------	**2, 764**	----------	3, 940	**3, 940**
Other	**27**	41	----------	**41**	9	----------	**9**
Independent offices:							
Atomic Energy Commission	**1, 962**	2, 362	----------	**2, 362**	2, 298	120	**2, 418**
Veterans Administration	**4, 942**	4, 666	292	**4, 959**	4, 968	----------	**4, 968**
Other	**1, 193**	612	2, 025	**2, 637**	621	205	**825**
General Services Administration	**235**	266	3	**269**	336	----------	**336**
Housing and Home Finance Agency	**1, 553**	2, 120	5	**2, 125**	148	490	**638**
Department of Agriculture	**6, 086**	4, 560	2, 317	**6, 877**	4, 109	—2	**4, 107**
Department of Commerce	**703**	702	[1]	**702**	938	13	**951**
Department of Defense—Military Functions	**36, 255**	35, 335	1, 270	**36, 605**	36, 848	2, 297	**39, 145**
Department of Defense—Civil Functions	**664**	667	7	**674**	685	----------	**685**
Department of Health, Education, and Welfare	**2, 491**	2, 640	229	**2, 869**	2, 517	276	**2, 793**
Department of the Interior	**622**	639	11	**651**	583	----------	**583**
Department of Justice	**216**	227	[1]	**227**	230	----------	**230**
Department of Labor	**434**	411	52	**463**	465	----------	**465**
Post Office Department	**524**	696	----------	**696**	676	[2] —675	**1**
Department of State	**230**	200	13	**213**	203	5	**207**
Treasury Department	**8, 060**	8, 645	----------	**8, 645**	8, 619	----------	**8, 619**
District of Columbia	**33**	32	----------	**32**	36	----------	**36**
Allowance for proposed legislation and contingencies:							
Pay adjustment:							
Postal	----------	----------	----------	----------	----------	160	**160**
Other (excluding Department of Defense)	----------	----------	----------	----------	----------	179	**179**
Defense contingencies	----------	----------	----------	----------	----------	500	**500**
Other contingencies	----------	----------	400	**400**	----------	500	**500**
Total new obligational authority	**70, 179**	67, 738	6, 627	**74, 365**	64, 445	8, 007	**72, 452**

[1] Less than one-half million dollars.
[2] Includes proposed postal rate increase of $700 million.

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TABLE 4

SUMMARY OF CHANGES IN STATUS OF PUBLIC DEBT

[In millions]

Description	1957 actual	1958 estimate	1959 estimate
EFFECT OF OPERATIONS ON CASH BALANCES AND THE PUBLIC DEBT			
Effect of operations on cash balances:			
Budget surplus or deficit (—)	$1,596	—$388	$466
Trust fund operations, increase or decrease (—) in cash balances (table 10)	334	302	—498
Public enterprise debt and investment transactions, net (special analysis J)	—140	—118	—62
Increase or decrease (—) in outstanding checks, deposits in transit, and similar items	—518	—42	94
Total effect of operations on cash balances	1,272	—246	
Cash balances at start of year:			
In Treasury	6,546	5,590	6,000
Outside Treasury	878	883	900
Cash position resulting from operations	8,696	6,227	6,900
Less cash balances at close of year:			
In Treasury	5,590	6,000	6,000
Outside Treasury	883	900	900
Increase (—) or decrease in public debt	2,224	—673	
Public debt at start of year	$272,751	$270,527	$271,200
Increase or decrease (—) in public debt	—2,224	673	
Public debt at close of year	270,527	271,200	271,200
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION			
Public debt at close of year	$270,527	$271,200	$271,200
Plus guaranteed obligations of Government agencies not owned by Treasury	107	116	107
Less debt not subject to statutory limitation	446	430	410
Debt subject to statutory limitation	270,188	270,886	270,897
Statutory limitation on debt at close of year	275,000	275,000	275,000
Maximum statutory limitation on debt during year	278,000	275,000	275,000

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TABLE 5

SUMMARY OF BUDGET AND TRUST TRANSACTIONS FOR FISCAL YEAR 1959

Based on existing and proposed legislation

[In millions]

Description	Budget funds (table 1)	Trust funds (table 10)	Interfund and other items (special analysis A)	Consolidated (special analysis A)
RECEIPTS				
Individual income taxes	$38,500			$38,500
Corporation income taxes	20,400			20,400
Excise taxes	9,280	$2,164		11,444
Employment taxes	347	8,613		8,960
Estate and gift taxes	1,570			1,570
Customs	780			780
Miscellaneous budget and trust receipts	3,523	5,842	−$3,733	5,632
Total receipts	74,400	16,619	−3,733	87,286
EXPENDITURES				
Major national security	45,836	255	−33	46,058
International affairs and finance	1,312	9	−30	1,292
Veterans' services and benefits	5,012	691	−11	5,691
Labor and welfare	3,643	12,288	−137	15,794
Agriculture and agricultural resources	4,601	−169	−68	4,364
Natural resources	1,492	30	−3	1,519
Commerce and housing	1,627	2,830	−252	4,205
General government	1,403	386	−42	1,746
Interest	7,869		−1,653	6,216
Allowance for proposed legislation and contingencies:				
Pay adjustment:				
Postal	160			160
Other (excluding Department of Defense)	179			179
Defense contingencies	500			500
Other contingencies	300			300
Undistributed		43	−1,407	−1,363
Total expenditures	73,934	16,364	−3,635	86,662
Excess of receipts over expenditures	+466	+255	−98	+624

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PART II

ESTIMATES FOR FEDERAL FUNDS

Table 6. Summary of Budget Authorizations, Obligations, Expenditures and Balances

Table 7. Summary of New Obligational Authority (by Type of Authorization and Agency)

Table 8. Summary of Balances Available at Start of Year

Table 9. Summary of Expenditures of Public Enterprise Funds

Detailed Estimates:

- Legislative Branch
- The Judiciary
- Executive Office of the President
- Funds Appropriated to the President
- Independent Offices
- General Services Administration
- Housing and Home Finance Agency
- Department of Agriculture
- Department of Commerce
- Department of Defense—Military Functions
- Department of Defense—Civil Functions
- Department of Health, Education, and Welfare
- Department of the Interior
- Department of Justice
- Department of Labor
- Post Office Department
- Department of State
- Treasury Department
- District of Columbia

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INTRODUCTION TO PART II

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

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

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

SUMMARY TABLES AND THEIR CONTENTS

SUMMARIES OF AUTHORIZATIONS AND EXPENDITURES

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

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

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

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

SUMMARIES OF BALANCES CARRIED FORWARD

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

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

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

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

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

RELATIONSHIP OF TRANSACTIONS AND BALANCES

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

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

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

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

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

Authority for expenditures.—Expenditures for the budget year are broken down on two tables in each chapter summary into those coming out of new obligational authority of the same year and those coming out of balances, etc. It is generally assumed that prior year balances available in commingled accounts will be obligated before the new authorizations are obligated, and that expenditures will reflect the liquidation of those obligations on the basis of previous experience. In the case of revolving funds it is assumed that budget authorizations are expended in an amount equal to the sums placed in the fund during the year, and that, if all of the authorization is not placed in the fund at once, it is moved to the fund and expended on a first-in, first-out basis.

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FORM OF DETAILED MATERIAL

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

In the case of revolving funds, there are usually three additional schedules, covering (5) the sources and application of funds; (6) revenue, expense, and retained earnings; and (7) financial condition.

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1959 appropriation acts is printed at the head of each item requiring action by Congress, except for those items which are not formally recommended at this time but will be proposed for later transmission. The language of the 1958 appropriation acts is used as a base. Following the language are citations to relevant laws and the appropriation act from which the text is taken, as in this example:

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; $325,500,000: *Provided, That not to exceed $200,000 of the amount appropriated herein shall be available for expenses of instruction and facilities for the training of employees by contract, subject to such regulations as may be prescribed by the Secretary of the Treasury. (5 U. S. C. 132; title 26 U. S. C.; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$325,500,000** Estimate 1959, **$325,500,000**

Roman type shows the text used in the 1958 appropriation acts. Italic type indicates proposed new language. Brackets enclose material which it is proposed to omit.

SCHEDULE OF PROGRAM AND FINANCING

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

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services	$4,632,770	$5,260,124	$5,065,524
2. Collection of revenue	128,836,522	134,331,036	135,793,886
3. Audit of tax returns	106,701,706	113,576,377	114,323,511
4. Tax fraud and special investigations	15,738,885	16,743,758	16,862,034
5. Alcohol and tobacco tax regulatory work	23,181,034	24,274,554	23,712,856
6. Taxpayer conferences and appeals	9,771,076	11,046,227	11,059,022
7. Legal services	7,043,800	7,998,096	7,988,780
8. Inspection	4,096,635	4,419,834	4,393,434
9. Statistical reporting	1,847,329	2,513,167	2,346,867
10. Executive direction	3,634,552	4,083,586	3,954,086
Total obligations	305,484,309	324,246,759	325,500,000
Financing:			
Unobligated balance no longer available	265,691	1,253,241	
Appropriation (new obligational authority)	305,750,000	325,500,000	325,500,000

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

SCHEDULE OF PROGRAM AND FINANCING—COST BASIS

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

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. System operation and maintenance	$593,946	$670,000	$664,000
2. Power contracts and rates	73,771	100,000	91,000
3. General administration	298,304	310,000	300,000
Total operating costs	966,021	1,080,000	1,055,000
Deduct depreciation (not requiring funding)	97,120	80,000	80,000
Net operating costs, funded	868,901	1,000,000	975,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	9,423		
Total program (obligations)	878,324	1,000,000	975,000

In those cases where the program is principally for procurement or public works, additional columns are often shown to make a more complete presentation. The financing section of a cost-type budget schedule is the same as for any other schedule.

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

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$45,790	$47,291	$60,000	$50,000
Accrued annual leave (leave earned but not taken by employees, charged to activity costs) (−)	−119,157	−111,235	−123,944	−113,944
Total selected resources at end of year	−73,367	−63,944	−63,944	−63,944
Selected resources at start of year		73,367	63,944	63,944
Obligations incurred for costs of other years, net		9,423		

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

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

In the case of permanent appropriations and revolving funds, the narrative statements set forth the financing arrangements, including the source of the money and the statutory basis for the earmarking of receipts.

SCHEDULE OF OBJECT CLASSIFICATION

There is shown for each account a summary of personal services and a classification of the obligations according to a uniform list of objects.

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

Permanent positions are those of a full-time nature which are of indefinite duration. Some are filled by persons with temporary appointments. The "number of

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employees at end of year" represents the number of (*a*) full-time and regularly scheduled part-time employees in pay status on the last work day in June, and (*b*) intermittent employees who work at any time during June. This is the basis for reports of the Civil Service Commission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	52, 571	52, 444	51, 931
Full-time equivalent of all other positions	1, 975	1, 587	1, 587
Average number of all employees	53, 181	52, 570	52, 264
Number of employees at end of year	51, 364	50, 775	50, 500
Average GS grade and salary	6. 7 $5, 180	6. 9 $5, 257	7. 0 $5, 399
01 Personal services:			
Permanent positions	$263, 415, 474	$265, 445, 665	$266, 859, 431
Positions other than permanent	5, 771, 611	4, 747, 665	4, 747, 665
Other personal services	1, 631, 424	2, 311, 227	2, 311, 227
Total personal services	270, 818, 509	272, 504, 557	273, 918, 323
02 Travel	8, 357, 621	8, 635, 289	8, 255, 133
03 Transportation of things	1, 573, 013	1, 655, 909	1, 655, 909
04 Communication services	5, 878, 732	5, 944, 412	5, 944, 412
05 Rents and utility services	1, 544, 946	2, 369, 406	1, 845, 983
06 Printing and reproduction	7, 529, 140	7, 773, 516	7, 773, 516
07 Other contractual services	3, 364, 038	3, 113, 514	3, 113, 514
08 Supplies and materials	3, 253, 188	3, 375, 247	3, 369, 247
09 Equipment	2, 325, 560	1, 746, 492	1, 746, 492
11 Grants, subsidies, and contributions		16, 485, 687	17, 234, 741
13 Refunds, awards, and indemnities	674, 950	510, 000	510, 000
15 Taxes and assessments	164, 612	132, 730	132, 730
Total obligations	305, 484, 309	324, 246, 759	325, 500, 000

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

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

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

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

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of equipment	$85, 850	$109, 000	$200, 000
Expense:			
Purchase of raw materials	3, 341, 289	3, 671, 196	3, 810, 000
Other expense	7, 227, 997	8, 537, 853	8, 987, 043
Donation of working capital assets	8, 892		
Increase in selected working capital			632, 870
Total gross expenditures	10, 664, 028	12, 318, 049	13, 629, 913
Receipts from operations (funds provided):			
Sales of goods and services	10, 177, 190	12, 628, 500	12, 907, 500
Proceeds from sale of equipment	4, 235	1, 500	1, 500
Decrease in selected working capital	73, 043	230, 998	
Total receipts from operations	10, 254, 468	12, 860, 998	12, 909, 000
Budget expenditures	409, 560	−542, 949	720, 913

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

STATEMENT OF REVENUE, EXPENSE, AND RETAINED EARNINGS

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

Revenue, Expense, and Retained Earnings

Operating income or loss (−):			
Revenue	$11, 231, 889	$13, 378, 500	$13, 657, 500
Expense	11, 493, 564	13, 258, 810	13, 659, 000
Net operating income or loss (−)	−261, 675	119, 690	−1, 500
Nonoperating income or loss (−):			
Proceeds from sale of equipment	4, 235	1, 500	1, 500
Net book value of assets sold (−)	−15, 025		
Net gain or loss (−) from sale of equipment	−10, 790	1, 500	1, 500
Net income or loss (−) for the year	−272, 465	121, 190	
Analysis of retained earnings or deficit:			
Retained earnings or deficit (−), beginning of year	157, 285	−120, 612	578
Adjustments not affecting selected working capital (−)	−5, 432		
Retained earnings or deficit (−), end of year	−120, 612	578	578

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

STATEMENT OF FINANCIAL CONDITION

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

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$1, 740, 638	$2, 283, 587	$1, 562, 674
Accounts receivable, net	115, 960	98, 500	111, 113
Inventories:			
Raw materials	2, 028, 365	1, 840, 561	1, 840, 561
Finished goods	283, 649	262, 595	262, 595
Deferred charges	74, 318	43, 984	13, 651
Land, structures and equipment, net	7, 102, 004	6, 871, 099	6, 927, 194
Total assets	11, 344, 934	11, 400, 326	10, 717, 788
Liabilities:			
Current	2, 682, 660	2, 844, 810	2, 194, 220
Government investment:			
Non-interest-bearing capital:			
Start of year	9, 014, 334	8, 782, 886	8, 554, 938
Donations in or out (−), net	−3, 167		200, 000
Depreciation not recoverable from operations (−)	−228, 281	−227, 948	−231, 948
End of year	8, 782, 886	8, 554, 938	8, 522, 990
Retained earnings or deficit (−)	−120, 612	578	578
Total Government investment	8, 662, 274	8, 555, 516	8, 523, 568

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

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

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$2, 150, 198	$1, 740, 638	$2, 283, 587	$1, 562, 674
Obligated balance, net:				
Current liabilities	2, 720, 937	2, 682, 660	2, 844, 810	2, 194, 220
Unpaid undelivered orders	268, 184	533, 663	538, 610	485, 000
Accounts receivable, net (−)	−143, 848	−115, 960	−98, 500	−111, 113
Unfilled customers' orders (−)	−1, 485, 591	−1, 423, 292	−1, 698, 322	−1, 008, 748
Total obligated balance	1, 359, 682	1, 677, 071	1, 586, 598	1, 559, 359
Unobligated balance	790, 516	63, 567	696, 989	3, 315

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TABLE 6

SUMMARY OF BUDGET AUTHORIZATIONS, OBLIGATIONS, EXPENDITURES AND BALANCES

Based on existing and proposed legislation

[In millions]

Description	1957 enacted	1958 estimate	1959 estimate
Current authorizations:			
Appropriations	$58,750	$61,266	$62,995
Appropriations to liquidate contract authorizations	(174)	(107)	(133)
Authorizations to expend from debt receipts	3,003	4,123	796
Contract authorizations	2	4	201
Reappropriations	141	114	60
Total current authorizations	61,896	65,507	64,052
Permanent authorizations:			
Appropriations	7,753	8,346	8,334
Authorizations to expend from debt receipts	190	19	4
Contract authorizations	339	490	64
Total permanent authorizations	8,282	8,855	8,403
Total new obligational authority	70,179	74,365	72,452
Unobligated balances brought forward, start of year	35,603	32,801	31,282
Unobligated balances carried forward, end of year (−)	−32,801	−31,282	−28,482
Balances no longer available for obligation (−)	−4,015	−1,220	−497
Obligations incurred, net	68,967	74,671	74,750
Obligated balances brought forward, start of year	37,408	36,048	37,924
Restored from certified claims account	462		
Adjustment of obligations in expired accounts	−1,354		
Obligated balances carried forward, end of year (−)	−36,048	−37,924	−38,742
Budget expenditures	69,433	72,788	73,934
Expenditures are distributed as follows:			
Out of new obligational authority	69,433	72,788	49,671
Out of balances of prior authorizations			24,263

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TABLE 7

SUMMARY OF NEW OBLIGATIONAL AUTHORITY

BY TYPE OF AUTHORIZATION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1957 enacted	1958 estimate			1959 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS							
Appropriations:							
Legislative branch	$91	$96		$96	$99		$99
The Judiciary	40	43	$1	44	46		46
Executive Office of the President	11	12		12	12		12
Funds appropriated to the President:							
Mutual security	3,767	2,764		2,764		$3,940	3,940
Other	27	41		41	9		9
Independent offices:							
Atomic Energy Commission	1,899	2,324		2,324	2,288	120	2,408
Veterans Administration	4,792	4,666	292	4,958	4,968		4,968
Other	1,189	574	25	599	619	80	698
General Services Administration	234	265	3	268	335		335
Housing and Home Finance Agency	119	120	5	125	147		147
Department of Agriculture	4,073	3,812	2,317	6,129	3,423	−2	3,421
Department of Commerce	608	542	(1)	542	875	13	888
Department of Defense—Military Functions	36,171	35,317	1,270	36,587	36,790	2,297	39,087
Department of Defense—Civil Functions	662	665	7	672	684		684
Department of Health, Education, and Welfare	2,480	2,627	229	2,856	2,507	276	2,783
Department of the Interior	495	507	11	518	496		496
Department of Justice	216	227	(1)	227	230		230
Department of Labor	434	411	52	463	465		465
Post Office Department	524	696		696	676	[2] −675	1
Department of State	228	198	13	210	200	5	205
Treasury Department	657	703		703	699		699
District of Columbia	33	32		32	36		36
Allowance for proposed legislation and contingencies:							
Pay adjustment:							
Postal						160	160
Other (excluding Department of Defense)						179	179
Defense contingencies						500	500
Other contingencies			400	400		500	500
Total appropriations	58,750	56,642	4,627	61,266	55,603	7,393	62,995
Appropriations to liquidate prior contract authorizations:							
Legislative branch	(28)	(10)		(10)	(22)		(22)
General Services Administration	(5)						
Housing and Home Finance Agency	(40)				(50)		(50)
Department of Commerce	(58)	(53)		(53)	(30)		(30)
Department of Health, Education, and Welfare	(1)	(1)		(1)	(1)		(1)
Department of the Interior	(42)	(43)		(43)	(30)		(30)
Total appropriations to liquidate prior contract authorizations	(174)	(107)		(107)	(133)		(133)
Authorizations to expend from debt receipts:							
Funds appropriated to the President: Mutual security	40						
Independent offices		35	2,000	2,035		125	125
Housing and Home Finance Agency	1,200	1,640		1,640		290	290
Department of Agriculture	1,763	448		448	381		381
Total authorizations to expend from debt receipts	3,003	2,123	2,000	4,123	381	415	796
Contract authorizations:							
Legislative branch	1	3		3			
Housing and Home Finance Agency						200	200
Department of Health, Education, and Welfare	1	1		1	1		1
Total contract authorizations	2	4		4	1	200	201

[1] Less than one-half million dollars.

[2] Includes proposed postal rate increase of $700 million.

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TABLE 7

SUMMARY OF NEW OBLIGATIONAL AUTHORITY—Continued

BY TYPE OF AUTHORIZATION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1957 enacted	1958 estimate			1959 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS—Continued							
Reappropriations:							
Legislative branch	(1)	(1)		(1)			
Independent offices:							
Atomic Energy Commission	$63	$38		$38	$10		$10
Other	2	(1)		(1)			
General Services Administration	1						
Department of Agriculture	(1)	(1)		(1)			
Department of Commerce		65		65			
Department of Defense—Military Functions	75	10		10	50		50
Department of Health, Education, and Welfare		1		1			
Department of the Interior		(1)		(1)			
Total reappropriations	141	114		114	60		60
Total current authorizations	61,896	58,883	$6,627	65,507	56,045	$8,007	64,052
PERMANENT AUTHORIZATIONS							
Appropriations:							
Independent offices:							
Veterans Administration	1	1		1	1		1
Other	2	2		2	2		2
General Services Administration	(1)	1		1	1		1
Department of Agriculture	242	289		289	301		301
Department of Defense—Military Functions	8	8		8	8		8
Department of Defense—Civil Functions	2	2		2	2		2
Department of Health, Education, and Welfare	10	10		10	10		10
Department of the Interior	82	88		88	87		87
Department of State	3	3		3	3		3
Treasury Department	7,403	7,942		7,942	7,920		7,920
Total appropriations	7,753	8,346		8,346	8,334		8,334
Authorizations to expend from debt receipts:							
Independent offices: Veterans Administration	149						
Housing and Home Finance Agency	33	9		9			
Department of Agriculture	8	10		10	4		4
Total authorizations to expend from debt receipts	190	19		19	4		4
Contract authorizations:							
Housing and Home Finance Agency	200	351		351	1		1
Department of Commerce	95	95		95	63		63
Department of the Interior	44	44		44	(1)		(1)
Total contract authorizations	339	490		490	64		64
Total permanent authorizations	8,282	8,855		8,855	8,403		8,403
Total new obligational authority	70,179	67,738	6,627	74,365	64,445	8,007	72,452

[1] Less than one-half million dollars.

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TABLE 8

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

Based on existing and proposed legislation

[In millions]

Description	1957 actual		1958 estimate		1959 estimate		1960 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT								
Appropriations:								
Legislative branch	$38	$6	$38	$18	$37	$4	$22	(1)
The judiciary	2		3		2		3	
Executive Office of the President	1	(1)	1	(1)	1		1	
Funds appropriated to the President:								
Mutual security	3,380	338	3,109	764	2,531	29	862	
Other	10	24	13	17	14	22	14	(1)
Independent offices:								
Atomic Energy Commission	975	376	977	308	1,271	65	1,104	
Veterans Administration	90	130	90	175	116	109	131	$67
Other	103	83	153	147	152	123	292	21
General Services Administration	408	412	257	223	208	89	216	1
Housing and Home Finance Agency	1	2	2	2	3		4	
Department of Agriculture	165	254	112	330	207	317	142	303
Department of Commerce	173	183	235	248	398	56	488	83
Department of Defense—Military Functions	25,154	12,341	24,137	10,862	23,626	7,797	23,294	6,130
Department of Defense—Civil Functions	147	104	146	117	165	109	233	28
Department of Health, Education, and Welfare	454	144	623	142	731	102	660	46
Department of the Interior	131	95	173	77	214	34	191	12
Department of Justice	14	(1)	13	1	15	(1)	16	(1)
Department of Labor	85	3	5	3	7		19	
Department of State	29	14	75	17	67	11	51	4
Treasury Department	55	12	70	16	75	1	90	1
District of Columbia		31		38		40		38
Total appropriations	31,415	14,552	30,232	13,505	29,840	8,908	27,833	6,734
Authorizations to expend from debt receipts:								
Funds appropriated to the President:								
Mutual security	90	69	94	105	109	90	129	70
Other	694	263	335	471	265	171	104	59
Independent offices:								
Veterans Administration	27	153	49	203	67	41	19	54
Other	823	7,603	1,556	6,588	1,666	5,587	1,788	5,365
Housing and Home Finance Agency	1,209	3,610	1,788	4,182	2,536	4,816	2,677	4,179
Department of Agriculture	1,621	−108	1,587	934	1,438	2,457	1,348	1,853
Treasury Department	3	2,821	3	2,786	3	2,787	2	2,787
Total authorizations to expend from debt receipts	4,467	14,411	5,412	15,269	6,084	15,949	6,067	14,367
Contract authorizations:								
Legislative branch	10	129		111	15	89	52	38
General Services Administration	3	3						
Housing and Home Finance Agency	87	497	105	639	306	789	498	548
Department of Agriculture		24						
Department of Commerce	1,190	2,005	37	95	92	91	96	51
Department of Defense—Military Functions		39						
Department of Health, Education, and Welfare	1	1	1	1	2	1	1	1
Department of the Interior	13	40	7	48	19	47	24	
Total contract authorizations	1,304	2,738	150	894	434	1,017	671	638
Revolving and management funds:								
Legislative branch	−1	12	(1)	14	1	11	−2	12
Funds appropriated to the President:								
Mutual security			2		183	100	184	(1)
Other	14		35		35		35	
Independent offices:								
Atomic Energy Commission		(1)		(1)		(1)		1
Veterans Administration	26	16	33	18	37	29	42	37
Other	96	600	208	427	161	420	67	450
General Services Administration	11	45	−1	52	−4	57	−8	62
Housing and Home Finance Agency	107	27	138	49	118	50	133	52
Department of Agriculture	29	62	43	64	46	72	34	75
Department of Commerce	−6	42	(1)	18	3	28	2	31
Department of Defense—Military Functions	−303	2,978	−462	2,374	−292	2,221	−232	1,886
Department of Defense—Civil Functions	40	37	42	46	43	42	49	37

[1] Less than one-half million dollars.

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TABLE 8—Continued

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1957 actual		1958 estimate		1959 estimate		1960 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued								
Revolving and management funds—Continued								
Department of Health, Education, and Welfare	(1)	$1	$1	$1	$2	$1	$2	$1
Department of the Interior	$4	29	11	35	10	22	10	18
Department of Justice	−6	10	−7	11	−7	11	−6	10
Department of Labor	1	1	1	(1)	1	(1)	1	1
Post Office Department	192	22	195	17	205	14	222	9
Department of State	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Treasury Department	17	20	13	7	11	(1)	10	−1
Total revolving and management funds	221	3,902	252	3,133	553	3,078	543	2,681
Total balances of authorizations enacted or recommended in this document	37,408	35,603	36,048	32,801	36,910	28,952	35,114	24,420
BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION								
Appropriations:								
The judiciary					1			
Funds appropriated to the President: Mutual security							1,661	226
Independent offices:								
Atomic Energy Commission							100	
Other					13	4	52	
General Services Administration					(1)			
Department of Agriculture					(1)		(1)	
Department of Commerce					(1)		10	1
Department of Defense—Military Functions					769	326	1,147	1,569
Department of Defense—Civil Functions					5			
Department of Health, Education, and Welfare					53		119	
Department of the Interior					1		(1)	
Department of Justice					(1)			
Department of State					(1)		1	
Allowance for contingencies					200		400	
Total appropriations					1,042	330	3,490	1,796
Authorizations to expend from debt receipts:								
Independent offices						2,000	246	1,866
Housing and Home Finance Agency							90	200
Total authorizations to expend from debt receipts						2,000	336	2,066
Contract authorizations:								
Housing and Home Finance Agency								200
Revolving and management funds:								
Department of Agriculture					−28		−198	
Total balances of authorizations proposed for later transmission					1,014	2,330	3,628	4,063
Total balances available at start of year	37,403	35,603	36,048	32,801	37,924	31,282	38,742	28,482
RECAPITULATION								
Appropriations	$31,415	$14,552	$30,232	$13,505	$30,882	$9,238	$31,323	$8,530
Authorizations to expend from debt receipts	4,467	14,411	5,412	15,269	6,084	17,949	6,403	16,433
Contract authorizations	1,304	2,738	150	894	434	1,017	671	838
Revolving and management funds	221	3,902	252	3,133	525	3,078	345	2,681
Total balances available at start of year	37,408	35,603	36,048	32,801	37,924	31,282	38,742	28,482

[1] Less than one-half million dollars.

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TABLE 9

SUMMARY OF EXPENDITURES OF PUBLIC ENTERPRISE FUNDS

Based on existing and proposed legislation

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

Description	GROSS EXPENDITURES			RECEIPTS FROM OPERATIONS			BUDGET EXPENDITURES		
	1957	1958	1959	1957	1958	1959	1957	1958	1959
Enacted or recommended in this document:									
Funds appropriated to the President:									
Mutual security		$20	$100	$2	$1	$1	−$2	$19	$99
Other	$312	486	343	183	116	71	130	370	272
Independent offices:									
Veterans Administration	175	255	119	113	125	137	62	130	−18
Other	1,895	1,321	983	1,952	797	943	−56	524	39
General Services Administration	28	7	2	39	11	5	−11	−4	−3
Housing and Home Finance Agency	1,726	1,792	1,957	1,756	1,599	1,515	−30	192	442
Department of Agriculture	4,832	4,482	4,096	3,387	3,312	2,907	1,445	1,169	1,190
Department of Commerce	46	20	17	31	29	21	15	−9	−4
Department of Defense—Military Functions	2	65	108	3	25	53	−1	40	54
Department of Defense—Civil Functions	86	94	88	97	90	90	−11	4	−2
Department of Health, Education, and Welfare	2	3	3	2	3	3			
Department of the Interior	43	71	82	32	34	40	11	37	41
Department of Labor	3	4	5	3	4	6			−1
Post Office Department	3,048	3,356	3,454	2,531	2,670	2,795	518	686	659
Treasury Department	1			52	11	15	−51	−10	−15
Total	12,199	11,976	11,357	10,183	8,827	8,602	2,019	3,148	2,753
Proposed for later transmission:									
Funds appropriated to the President: Mutual Security			75			1			74
Independent offices			106			2			104
Department of Agriculture			75		219			−219	75
Post Office Department			25			700			−675
Total			281		219	703		−219	−422
Grand total	12,199	11,976	11,638	10,183	9,046	9,305	2,019	2,929	2,331

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LEGISLATIVE BRANCH

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

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
General government:						
601 Legislative functions	$77,705	$84,048	$82,483	$90,273	$101,436	$111,725
602 Judicial functions	28	28	30	28	28	30
610 Other general government	2,990	3,175	3,295	−3,544	2,312	1,689
Total, general government	80,722	87,250	85,808	86,757	103,775	113,444
Labor and welfare:						
215 Promotion of science, research, libraries, and museums	8,316	9,022	10,202	7,644	9,300	10,172
217 Other welfare services and administration	1,067	1,125	1,355	895	1,238	1,286
Total, labor and welfare	9,384	10,147	11,557	8,540	10,538	11,459
Commerce and housing:						
518 Other aids to business	1,288	1,390	1,274	1,270	1,394	1,271
Total, legislative branch	91,394	98,787	98,639	96,567	115,707	126,173

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
SENATE							
Current authorizations:							
Compensation of Senators	601	$2,166,240	$2,328,245	$2,328,245	$2,160,917		
Mileage of President of the Senate and of Senators	601	51,000	51,000	51,000	47,229		
Expense allowance of majority and minority leaders	601	4,000	4,000	4,000	4,000		
Compensation of the Vice President of the United States	601	35,070	37,695	37,695	35,065		
Expense allowance of the Vice President	601	10,000	10,000	10,000	10,000		
Salaries, officers and employees	601	14,265,255	14,306,425	14,306,555	11,995,596		
Contingent expenses of the Senate:							
Legislative reorganization	601	100,000	106,500	106,500	59,116		
Senate policy committees	601	210,000	223,650	223,650	170,305		
Joint Economic Committee	601	135,560	143,360	143,360	131,513		
Joint Committee on Atomic Energy	601	222,775	234,385	234,385	181,529		
Joint Committee on Printing	601	63,185	66,840	66,840	57,216		
Committee on Rules and Administration	601	29,565	32,990	32,990	27,265		
Vice President's automobile	601	8,785	7,600	7,600	6,543		
Automobile for the President pro tempore	601	10,785	7,100	12,600	9,204		
Automobiles for majority and minority leaders	601	21,570	14,200	25,200	15,135		
Reporting Senate proceedings	601	170,250	188,825	188,825	170,250	$19,700,000	$19,800,000
Furniture	601	31,190	31,190	31,190	29,176		
Inquiries and investigations	601	2,820,000	2,650,000	2,650,000	2,726,800		
Folding documents	601	29,000	29,000	29,000	28,906		
Senate restaurants	601	85,000	85,000	85,000	75,457		
Motor vehicles	601	16,560	16,560	16,560	15,710		
Miscellaneous items	601	1,370,000	1,455,000	1,455,000	1,331,941		
Postage stamps	601	39,775	40,275	39,775	38,121		
Stationery (revolving fund)	601	187,500	187,500	187,500	137,160		
Communications	601	14,550	14,550	14,550	10,289		
Airmail and special delivery stamps	601				−346		
Fuel for heating apparatus	601				37		
Joint Committee on Inaugural Ceremonies	601	215,000			158,293		
Joint Committee on Navaho-Hopi Indian Administration	601	5,000					
Packing boxes	601				815		
Payment to estates and widows of deceased Members of the Senate	601	45,000			45,000		
Recording studio revolving fund	601				−59,483		
Total, Senate		22,362,615	22,271,890	22,288,020	19,618,759	19,700,000	19,800,000
HOUSE OF REPRESENTATIVES							
Current authorizations:							
Compensation of Members	601	9,897,000	10,638,000	10,638,000	9,828,374		
Mileage of Members and expense allowance of the Speaker	601	200,000	200,000	200,000	183,408		
Salaries, officers and employees	601	5,831,595	5,992,105	6,135,600	5,362,088		
Members' clerk hire	601	14,600,000	14,600,000	15,000,000	13,690,955		
Contingent expenses of the House:							
Furniture	601	231,800	231,800	231,800	187,402		
Miscellaneous items	601	1,003,855	1,885,000	2,296,400	983,731		
Reporting hearings	601	125,000	120,000	125,000	81,502		
Special and select committees	601	1,750,000	1,800,000	2,000,000	1,758,126		
Joint Committee on Internal Revenue Taxation	601	270,000	230,000	240,000	216,756		
Joint Committee on Immigration and Nationality Policy	601	20,000	20,000	20,000			
Office of the Coordinator of Information	601	86,985	89,795	89,795	87,079		
Telegraph and telephone	601	975,000	975,000	1,075,000	860,953		
Stationery (revolving fund)	601	526,700	525,600	525,600	482,707		
Attending physician's office	601	12,145	12,145	12,145	12,001		
Postage stamps	601	92,760	92,760	138,460	92,662		
Folding documents	601	174,000	175,000	200,000	188,496		
Revision of laws	601	16,500	16,500	16,500	16,414		
Speaker's automobile	601	14,900	8,000	16,000	14,105	38,250,000	39,550,000
Automobile for the majority leader	601	6,500	8,000	16,000	6,551		
Automobile for the minority leader	601	13,500	8,000	16,000	11,617		
New edition to the United States Code	601		100,000		51,760		
New edition of the District of Columbia Code	601		100,000				
Joint Senate and House recording facility revolving fund	601				133,432		
House recording studio revolving fund	601				−81,128		
House of Representatives restaurant fund	601				−98,241		
Payment to widows and heirs of deceased Members of Congress	601	112,500	22,500		112,500		
Capitol Police:							
General expenses	601	28,800	29,600	28,800	28,060		
Capitol Police Board	601	83,095	82,780	89,236	69,934		

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
HOUSE OF REPRESENTATIVES—Continued							
Current authorizations—Continued							
Office of the Legislative Counsel:							
Salaries and expenses, Senate	601	$165,000	$187,385	$192,000	$159,735		
Salaries and expenses, House of Representatives	601	163,000	174,000	186,000	143,982		
Joint Committee on Reduction of Nonessential Federal Expenditures	601	22,500	22,500		23,209		
Education of Senate and House pages	601	52,240	52,800	53,500	43,690		
Penalty mail costs	601	2,076,000	2,081,000	2,259,000	2,076,000		
Statement of appropriations	601	10,000	10,000	10,000	10,000		
Total, House of Representatives		38,561,375	40,490,270	41,810,836	36,737,860	$38,250,000	$39,550,000
ARCHITECT OF THE CAPITOL							
Current authorizations:							
Office of the Architect of the Capitol:							
Salaries	601	211,000	239,800	243,000	208,352	239,699	242,000
Contingent expenses	601	50,000	50,000	50,000	33,384	50,134	50,000
Capitol Buildings and Grounds:							
Capitol Buildings	601	764,700	901,800	893,600	994,269	934,634	893,600
Reappropriation	601	60,000	25,000				
Capitol Grounds	601	932,600	307,000	317,600	860,915	360,867	316,600
Reappropriation	601		56,000				
Subway transportation, Capitol and Senate Office Buildings	601	6,600	4,500	6,000	6,370	4,471	5,990
Senate Office Buildings	601	1,265,600	1,320,400	1,822,000	1,102,491	1,378,515	1,774,000
Reappropriation	601		87,000				
Legislative garage	601	38,500	40,300	42,000	37,949	40,184	41,900
House Office Buildings	601	1,149,900	1,258,000	1,283,400	1,115,869	1,245,561	1,278,400
Acquisition of property, construction and equipment, additional House Office Building: Liquidation of contract authorization	601	(10,000,000)	(7,500,000)	(22,500,000)	4,924,452	11,358,688	24,386,000
Capitol Power Plant	601	1,304,300	1,700,000	1,769,000	1,289,481	1,661,828	1,757,000
Additional office building for the United States Senate:							
Liquidation of contract authorization	601	(5,250,000)	(2,846,000)		8,521,379	11,849,939	1,500,000
Contract authorization	601		2,846,000				
Furniture and furnishings, additional Senate Office Building	601		1,000,000			1,000,000	
Remodeling, Senate Office Building	601		250,000			250,000	
Extension of the Capitol: Liquidation of contract authorization	601	(12,000,000)			380,721	1,789,295	6,315,000
Changes and improvements, Capitol Power Plant:							
Liquidation of contract authorization	601	(1,196,000)			1,515,285	688,617	2,043,401
Contract authorization	601	730,000					
Capitol Building, Senate and House roofs and chambers	601				6,914		
Reconstruction, repair, alteration, and improvements, Capitol Grounds	601				454,917	21,243	
Senate restaurants	601				19,641	164	
Library buildings and grounds:							
Structural and mechanical care	215	800,000	774,200	747,400	558,047	1,082,374	752,400
Furniture and furnishings	215	75,000	67,000	89,800	72,733	72,123	84,800
Total, Architect of the Capitol		7,388,200	10,927,000	7,263,800	22,103,169	34,028,336	41,441,091
BOTANIC GARDEN							
Current authorizations:							
Salaries and expenses	215	253,600	275,500	385,500	246,447	274,088	380,500
Relocation of greenhouses	215			587,000			587,000
Total, Botanic Garden		253,600	275,500	972,500	246,447	274,088	967,500
LIBRARY OF CONGRESS							
Current authorizations:							
Salaries and expenses	215	5,310,593	5,875,000	6,154,408	5,279,654	5,849,888	6,116,090
Copyright Office: Salaries and expenses	518	1,287,547	1,390,000	1,274,056	1,270,246	1,394,373	1,270,693
Legislative Reference Service: Salaries and expenses	601	1,067,387	1,200,000	1,257,609	1,064,289	1,196,707	1,250,509
Distribution of catalog cards: Salaries and expenses	215	1,487,100	1,620,000	1,777,535	1,483,427	1,608,958	1,749,328
Increase of the Library of Congress:							
General increase of the Library	215	300,000	320,000	320,000	302,133	311,741	319,309
Increase of the law library	215	90,000	90,000	90,000	90,329	89,209	89,937
Books for the Supreme Court	602	27,500	27,500	30,000	28,280	27,506	29,643
Books for the blind: Salaries and expenses	217	1,067,481	1,125,000	1,355,000	895,326	1,238,093	1,286,347
Organizing and microfilming the papers of the Presidents: Salaries and expenses	215			50,000			46,015
Intragovernmental funds:							
Advances and reimbursements	215				−388,550	11,461	46,792
Total, Library of Congress		10,637,608	11,647,500	12,308,608	10,025,134	11,727,936	12,204,663

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
GOVERNMENT PRINTING OFFICE							
Current authorizations:							
Printing and binding	601	$9,200,000	$10,000,000	$10,700,000	$11,379,523	$9,415,474	$10,520,494
Office of the Superintendent of Documents: Salaries and expenses	610	2,990,400	3,175,000	3,295,190	3,009,563	3,206,750	3,328,142
Intragovernmental funds:							
Government Printing Office revolving fund	610				−6,553,840	−895,166	−1,639,000
Working capital and congressional printing and binding	601				71		
Total, Government Printing Office		12,190,400	13,175,000	13,995,190	7,835,317	11,727,058	12,209,636
Total new obligational authority and budget expenditures		91,393,798	98,787,160	98,638,954	96,566,686	115,707,418	126,172,890
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$90,603,798	$95,773,160	$98,638,954	$96,566,686	$115,707,418	$126,172,890
Appropriations to liquidate contract authorizations		(28,446,000)	(10,346,000)	(22,500,000)			
Contract authorizations		730,000	2,846,000				
Reappropriations		60,000	168,000				
Total new obligational authority and budget expenditures		91,393,798	98,787,160	98,638,954	96,566,686	115,707,418	126,172,890

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
SENATE											
Current authorizations		$4,815		$6,484		$6,600	$22,288	$19,150	$650		$6,700
HOUSE OF REPRESENTATIVES											
Current authorizations		9,021		8,810		8,900	41,811	36,200	3,350		9,000
ARCHITECT OF THE CAPITOL											
Current authorizations:											
Office of the Architect of the Capitol:											
Salaries		8		8		8	243	234	8		9
Contingent expenses		24		10		10	50	40	10		10
Capitol Buildings and Grounds:											
Capitol Buildings	$19	289		58		50	894	844	50		50
Capitol Grounds		17		19		21	318	296	21		22
Subway transportation, Capitol and Senate Office Buildings							6	6			
Senate Office Buildings		61		103		132	1,822	1,642	132		180
Legislative garage		2		1		2	42	40	2		2
House Office Buildings		70		88		100	1,283	1,178	100		105
Acquisition of property, construction and equipment, additional House Office Building:											
Liquidation of contract authorization		669	$47	5,745		1,886			24,386		
Contract authorization	88,548	95,000	85,000	85,000	$62,406	77,500				$12,146	55,000
Capitol Power Plant		149		162		200	1,769	1,557	200		212
Additional office building for the United States Senate:											
Liquidation of contract authorization	89	13,864	1,058	10,592	88	1,588			1,500	88	88
Contract authorization	1,310	5,250									
Extension of the Capitol:											
Liquidation of contract authorization	4,962	4,990	14,839	16,609	3,225	14,820			6,315		8,505
Contract authorization	37,600	37,600	25,600	25,600	25,600	25,600				25,600	25,600
Changes and improvements, Capitol Power Plant:											
Liquidation of contract authorization	1,236	3,051	2,221	2,732	681	2,043			2,043		
Contract authorization	1,196	1,196	730	730	730	730					730
Capitol Building, Senate and House roofs and chambers	14	14									
Reconstruction, repair, alteration, and improvements, Capitol Grounds	50	476	19	21							
Senate restaurants	19	20									
Library buildings and grounds:											
Structural and mechanical care		361		583		275	747	477	275		270
Furniture and furnishings		25		25		20	90	65	20		25
Total, Architect of the Capitol	135,043	163,136	129,515	148,086	92,730	124,985	7,264	6,379	35,062	37,834	90,808
BOTANIC GARDEN											
Current authorizations:											
Salaries and expenses		10		13		15	386	366	15		19
Relocation of greenhouses							587	587			
Total, Botanic Garden		10		13		15	972	953	15		19
LIBRARY OF CONGRESS											
Current authorizations:											
Salaries and expenses		325		349		375	6,154	5,742	374		413
Copyright Office: Salaries and expenses		78		95		90	1,274	1,181	90		93
Legislative Reference Service: Salaries and expenses		54		55		59	1,258	1,192	59		66
Distribution of catalog cards: Salaries and expenses		180		184		195	1,778	1,554	195		224
Increase of the Library of Congress:											
General increase of the Library of Congress	21	123	17	120		128	320	199	120		129
Increase of the law library	5	34	13	33		34	90	58	32		34
Books for the Supreme Court		5		4		4	30	26	4		5
Books for the blind: Salaries and expenses		252		420		307	1,355	979	307		376
Organizing and microfilming the papers of the Presidents: Salaries and expenses							50	46			4
Intragovernmental funds:											
Advances and reimbursements	3	19	226	406		394			47		347
Total, Library of Congress	29	1,071	256	1,667		1,586	12,309	10,977	1,228		1,691

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
GOVERNMENT PRINTING OFFICE											
Current authorizations:											
Printing and binding	----------	$4,971	----------	$2,646	----------	$3,231	$10,700	$7,990	$2,530	----------	$3,410
Salaries and expenses, Office of the Superintendent of Documents	----------	404	----------	379	----------	347	3,295	2,982	346	----------	314
Intragovernmental funds:											
Government Printing Office revolving fund	$12,382	11,717	$14,261	13,667	$10,761	11,461	----------	----------	−1,639	$12,039	[1] 9,900
Total, Government Printing Office	12,382	17,092	14,261	16,692	10,761	15,039	13,995	10,972	1,237	12,039	13,624
Total, legislative branch	147,454	195,145	144,032	181,752	103,491	157,125	98,639	84,631	41,542	49,873	121,842
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$6,415	$44,362	$18,215	$56,349	$3,994	$41,440	$98,639	$84,631	$41,542	$88	[2] $21,760
Contract authorizations	128,654	139,046	111,330	111,330	88,736	103,830				37,746	89,835
Revolving and management funds: Intragovernmental funds	12,385	11,737	14,487	14,073	10,761	11,855				12,039	[1] 10,247
Total, legislative branch	147,454	195,145	144,032	181,752	103,491	157,125	98,639	84,631	41,542	49,873	121,842

[1] Excludes capital transfer (payment of profits to Treasury), in 1959 of $3,200 thousand. [2] Excludes amounts no longer available in 1959 of $4,548 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$44,362	$56,349	$41,440
Contract authorizations	139,046	111,330	103,830
Revolving and management funds	11,737	14,073	11,855
Total balances brought forward	195,145	181,752	157,125
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	90,604	95,773	98,639
Appropriations to liquidate contract authorizations	(28,446)	(10,346)	(22,500)
Contract authorizations	730	2,846	----------
Reappropriations	60	168	----------
Total new obligational authority	91,394	98,787	98,639
Other amounts available: Restored from certified claims account	1	----------	----------
Total budget authorizations available	286,540	280,539	255,764
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	96,567	115,707	84,631
Out of balances of prior obligational authority			41,542
Total budget expenditures	96,567	115,707	126,173
Amounts no longer available:			
Unobligated balances expiring and lapsing	3,455	4,606	4,549
Capital transfers from revolving funds to receipt accounts	4,604	3,101	3,200
Adjustment of balances downward in expired accounts, net	162	----------	----------
Total amounts no longer available	8,221	7,707	7,749
Balances carried forward at close of year from authorizations enacted or recommended in this document:			
Appropriations	56,349	41,440	21,760
Contract authorizations	111,330	103,830	89,835
Revolving and management funds	14,073	11,855	10,247
Total balances carried forward at close of year	181,752	157,125	121,842
Obligations incurred, net	$86,757	$131,621	$144,508

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SENATE

Current authorizations:

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

COMPENSATION OF SENATORS

For compensation of Senators, $2,328,245. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$2,328,245** Estimate 1959, **$2,328,245**

MILEAGE OF PRESIDENT OF THE SENATE AND OF SENATORS

For mileage of the President of the Senate and of Senators, $51,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$51,000** Estimate 1959, **$51,000**

EXPENSE ALLOWANCE OF MAJORITY AND MINORITY LEADERS

For expense allowance of the majority leader and the minority leader of the Senate, $2,000 each, in all, $4,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$4,000** Estimate 1959, **$4,000**

COMPENSATION OF THE VICE PRESIDENT OF THE UNITED STATES

For the compensation of the Vice President of the United States, $37,695. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$37,695** Estimate 1959, **$37,695**

EXPENSE ALLOWANCE OF THE VICE PRESIDENT

For expense allowance of the Vice President, $10,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$10,000** Estimate 1959, **$10,000**

SALARIES, OFFICERS AND EMPLOYEES

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

OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $101,925. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $101,925 Estimate 1959, $101,925

CHAPLAIN

Chaplain of the Senate, $5,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $5,000 Estimate 1959, $5,000

OFFICE OF THE SECRETARY

For office of the Secretary, $572,915. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $572,915 Estimate 1959, $572,915

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $2,030,650. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $2,030,650 Estimate 1959, $2,030,650

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $40,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $40,000 Estimate 1959, $40,000

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $40,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $40,000 Estimate 1959, $40,000

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants and messenger service for Senators, $9,640,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $9,640,000 Estimate 1959, $9,640,000

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For office of Sergeant at Arms and Doorkeeper, [$1,760,940: *Provided,* That effective July 1, 1957, the basic annual compensation of the following positions shall be: Editor and printer, $4,020 in lieu of $3,000; three cabinetmakers at $2,700 each in lieu of $2,640 each; finisher, $2,700 in lieu of $2,640; upholsterer, $2,700 in lieu of $2,640; superintendent, service department, $6,060 in lieu of $4,800; foreman, repairman, $2,820 in lieu of $2,760; repairman, $2,640 in lieu of $2,580; repairman, $2,520 in lieu of $2,460] *$1,761,070.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $1,760,940 Estimate 1959, $1,761,070

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

For the offices of the Secretary for the Majority and the Secretary for the Minority, $94,950. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $94,950 Estimate 1959, $94,950

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For two clerical assistants, one for the majority whip and one for the minority whip, at not to exceed $5,580 basic per annum each, $20,045. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $20,045 Estimate 1959, $20,045

Total, salaries, officers and employees:

Appropriated 1958, **$14,306,425** Estimate 1959, **$14,306,555**

CONTINGENT EXPENSES OF THE SENATE

LEGISLATIVE REORGANIZATION

Legislative reorganization: For salaries and expenses, legislative reorganization, $106,500. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$106,500** Estimate 1959, **$106,500**

SENATE POLICY COMMITTEES

Senate policy committees: For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $111,825 for each such committee; in all, $223,650. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$223,650** Estimate 1959, **$223,650**

JOINT ECONOMIC COMMITTEE

Joint Economic Committee: For salaries and expenses of the Joint Economic Committee, $143,360. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$143,360** Estimate 1959, **$143,360**

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JOINT COMMITTEE ON ATOMIC ENERGY

Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, $233,520; and for expenses of compiling and preparing year end Joint Committee reports, $865, said sum, or any part thereof, may be paid as additional compensation to any employee of the United States; in all, $234,385. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$234,385** Estimate 1959, **$234,385**

JOINT COMMITTEE ON PRINTING

Joint Committee on Printing: For salaries and expenses of the Joint Committee on Printing, $62,635; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; and for compiling, preparing, and indexing material for the biographical directory, $2,605, said sum, or any part thereof, in the discretion of the chairman or vice chairman of the Joint Committee on Printing, may be paid as additional compensation to any employee of the United States; in all, $66,840. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$66,840** Estimate 1959, **$66,840**

COMMITTEE ON RULES AND ADMINISTRATION

Committee on Rules and Administration: For reimbursement to General Services Administration for space furnished the United States Senate, $30,810; and for expenses of compiling, preparing, and indexing material for the Senate Manual, $2,180, said sum, or any part thereof, in the discretion of the chairman of the Committee on Rules and Administration, may be paid as additional compensation to any employee of the United States; in all, $32,990. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$32,990** Estimate 1959, **$32,990**

VICE PRESIDENT'S AUTOMOBILE

Vice President's automobile: For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $7,600. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$7,600** Estimate 1959, **$7,600**

AUTOMOBILE FOR THE PRESIDENT PRO TEMPORE

Automobile for the President pro tempore: For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, [$7,100] *$12,600.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$7,100** Estimate 1959, **$12,600**

AUTOMOBILES FOR MAJORITY AND MINORITY LEADERS

Automobiles for majority and minority leaders: For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, [$14,200] *$25,200.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$14,200** Estimate 1959, **$25,200**

REPORTING SENATE PROCEEDINGS

Reporting Senate proceedings: For reporting the debates and proceedings of the Senate, payable in equal monthly installments, $188,825. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$188,825** Estimate 1959, **$188,825**

FURNITURE

Furniture: For services and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190: *Provided*, That the furniture purchased is not available from other agencies of the Government. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$31,190** Estimate 1959, **$31,190**

INQUIRIES AND INVESTIGATIONS

Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $2,650,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$2,650,000** Estimate 1959, **$2,650,000**

FOLDING DOCUMENTS

Folding documents: For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.61 per hour per person, $29,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$29,000** Estimate 1959, **$29,000**

SENATE RESTAURANTS

Senate restaurants: For repairs, improvements, equipment and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $85,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$85,000** Estimate 1959, **$85,000**

MOTOR VEHICLES

Motor vehicles: For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$16,560** Estimate 1959, **$16,560**

MISCELLANEOUS ITEMS

Miscellaneous items: For miscellaneous items, exclusive of labor, $1,455,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$1,455,000** Estimate 1959, **$1,455,000**

POSTAGE STAMPS

Postage stamps: For Office of the Secretary, $650; Office of the Sergeant at Arms, [$725] *$225*; Offices of the Secretaries for the Majority and the Minority, $100; and for airmail and special-delivery stamps for Senators and the President of the Senate, as authorized by law, $38,800, in all, [$40,275] *$39,775.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$40,275** Estimate 1959, **$39,775**

STATIONERY (REVOLVING FUND)

Stationery (Revolving Fund): For stationery for Senators and the President of the Senate, $174,600; and for stationery for committees and officers of the Senate, $12,900; in all, $187,500, to remain available until expended. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$187,500** Estimate 1959, **$187,500**

COMMUNICATIONS

Communications: For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U. S. C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U. S. C. 46d–1), $14,550. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$14,550** Estimate 1959, **$14,550**

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SENATE—Continued

Current authorizations—Continued

CONTINGENT EXPENSES OF THE SENATE—Continued

[ADMINISTRATIVE PROVISIONS]

[Salaries or wages paid out of the items under "Contingent Expenses of the Senate" shall hereafter be computed at basic rates, plus increased and additional compensation, as authorized and provided by law.] (*Legislative Branch Appropriation Act, 1958.*)

HOUSE OF REPRESENTATIVES

Current authorizations:

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

COMPENSATION OF MEMBERS

For compensation of Members (wherever used herein the term "Member" shall include Members of the House of Representatives, Delegates from Territories, and the Resident Commissioner from Puerto Rico), $10,638,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$10,638,000** Estimate 1959, **$10,638,000**

MILEAGE OF MEMBERS AND EXPENSE ALLOWANCE OF THE SPEAKER

For mileage of Members and expense allowance of the Speaker, as authorized by law, $200,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$200,000** Estimate 1959, **$200,000**

SALARIES, OFFICERS AND EMPLOYEES

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

OFFICE OF THE SPEAKER

For the Office of the Speaker, $53,075. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $53,075 Estimate 1959, $53,075

OFFICE OF THE PARLIAMENTARIAN

For the Office of the Parliamentarian, including $2,000 for preparing the Digest of the Rules, $58,325. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $58,325 Estimate 1959, $58,325

OFFICE OF THE CHAPLAIN

For the Office of the Chaplain, $7,450. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $7,450 Estimate 1959, $7,450

OFFICE OF THE CLERK

For the Office of the Clerk, including [$95,950 for the Office of the House Recording Studio, $927,770] *an additional $9,300 for clerical assistants in the Disbursing Office, $937,070.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $927,770 Estimate 1959, $937,070

COMMITTEE EMPLOYEES

For committee employees, including not to exceed $435,000 for the Committee on Appropriations, [$2,270,000] *$2,400,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $2,270,000 Estimate 1959, $2,400,000

OFFICE OF THE SERGEANT AT ARMS

For the Office of the Sergeant at Arms, including $7,500 for additional clerical assistants, $497,660. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $497,660 Estimate 1959, $497,660

OFFICE OF THE DOORKEEPER

For the Office of the Doorkeeper, $863,725. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $863,725 Estimate 1959, $863,725

SPECIAL AND MINORITY EMPLOYEES

For six minority employees, $70,935. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $70,935 Estimate 1959, $70,935

For the office of the majority floor leader, including $2,000 for official expenses of the majority leader, $58,555. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $58,555 Estimate 1959, $58,555

For the office of the minority floor leader, $45,800. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $45,800 Estimate 1959, $45,800

For the office of the majority whip, $25,015. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $25,015 Estimate 1959, $25,015

For the office of the minority whip, $25,015. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $25,015 Estimate 1959, $25,015

For two printing clerks, one for the majority caucus room and one for the minority caucus room, to be appointed by the majority and minority leaders, respectively, $11,470[, to be equally divided, so long as the two positions are held by the present incumbents]. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $11,470 Estimate 1959, $11,470

For a technical assistant in the office of the attending physician, to be appointed by the attending physician, subject to the approval of the Speaker, $7,790. (*Legislative Branch Appropriation Act 1958.*)

Appropriated 1958, $7,790 Estimate 1959, $7,790

OFFICE OF THE POSTMASTER

For the Office of the Postmaster, including employment of substitute messengers, and extra services of regular employees when required at the basic salary rate of not to exceed $2,100 per annum each, [$251,425] *$255,620.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $251,425 Estimate 1959, $255,620

OFFICIAL REPORTERS OF DEBATES

For official reporters of debates $158,255. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $158,255 Estimate 1959, $158,255

OFFICIAL REPORTERS TO COMMITTEES

For official reporters to committees, $159,840. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $159,840 Estimate 1959, $159,840

APPROPRIATIONS COMMITTEE

For salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, and temporary personal services for such committee, to be expended in accordance with section 202 (b) of the Legislative Reorganization Act, 1946, and to be available for reimbursement to agencies for services performed, $500,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, $500,000 Estimate 1959, $500,000

Total salaries, officers and employees:

Appropriated 1958, **$5,992,105** Estimate 1959, **$6,135,600**

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MEMBERS' CLERK HIRE

For clerk hire, necessarily employed by each Member in the discharge of his official and representative duties, [$14,600,000] *$15,000,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$14,600,000** Estimate 1959, **$15,000,000**

CONTINGENT EXPENSES OF THE HOUSE

FURNITURE

Furniture: For furniture and materials for repairs of the same, including labor, tools, and machinery for furniture repair shops, and for the purchase of packing boxes, $231,800. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$231,800** Estimate 1959, **$231,800**

MISCELLANEOUS ITEMS

Miscellaneous items: For miscellaneous items, exclusive of salaries unless specifically ordered by the House of Representatives, including the sum of $30,000 for payment to the Architect of the Capitol in accordance with section 208 of the Act, approved October 9, 1940 (Public Law 812); the exchange, operation, maintenance, and repair of the Clerk's motor vehicles; the exchange, operation, maintenance, and repair of the folding room motortruck; the exchange, maintenance, operation, and repair of the postoffice motor vehicles for carrying the mails; the sum of $600 for hire of automobile for the Sergeant at Arms; *the sum of $2,000 for the Clerk of the House, for preparation of the annual budget for the House of Representatives;* materials for folding; and for stationery for the use of committees, departments, and officers of the House; [$1,885,000, and in addition, $80,000 to be derived by transfer from surplus in the stationery revolving fund: *Provided,* That, notwithstanding the provisions of section 401 of the Civil Service Retirement Act Amendments of 1956 (Public Law 854), the Clerk of the House is hereafter authorized to pay, from the contingent fund of the House, with respect to all officers and employees of the House who are covered by such Act, the amounts, which, under the terms of such section 401, otherwise would be contributed from the appropriations or funds specified therein. As used in this paragraph the term "officers and employees of the House" means employees in the legislative branch whose salaries, wages, or other compensation are disbursed by the Clerk of the House of Representatives] *$2,296,400.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$1,885,000** Estimate 1959, **$2,296,400**

REPORTING HEARINGS

Reporting hearings: For stenographic reports of hearings of committees other than special and select committees, [$120,000] *$125,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$120,000** Estimate 1959, **$125,000**

SPECIAL AND SELECT COMMITTEES

Special and select committees: For salaries and expenses of special and select committees authorized by the House, [$1,800,000, of which not to exceed $60,000 shall be immediately available] *$2,000,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$1,800,000** Estimate 1959, **$2,000,000**

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

Joint Committee on Internal Revenue Taxation: For the payment of the salaries and other expenses of the Joint Committee on Internal Revenue Taxation, [$230,000] *$240,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$230,000** Estimate 1959, **$240,000**

JOINT COMMITTEE ON IMMIGRATION AND NATIONALITY POLICY

Joint Committee on Immigration and Nationality Policy: For salaries and expenses of the Joint Committee on Immigration and Nationality Policy, $20,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$20,000** Estimate 1959, **$20,000**

OFFICE OF THE COORDINATOR OF INFORMATION

Office of the Coordinator of Information: For salaries and other expenses of the Office of the Coordinator of Information, $89,795. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$89,795** Estimate 1959, **$89,795**

TELEGRAPH AND TELEPHONE

Telegraph and telephone: For telegraph and telephone service, exclusive of personal services, [$975,000] *$1,075,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$975,000** Estimate 1959, **$1,075,000**

STATIONERY (REVOLVING FUND)

Stationery (revolving fund): For a stationery allowance for each Member, for the [second session of the Eighty-fifth] *first session of the Eighty-sixth* Congress, $525,600, to remain available until expended. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$525,600** Estimate 1959, **$525,600**

ATTENDING PHYSICIAN'S OFFICE

Attending physician's office: For medical supplies, equipment, and contingent expenses of the emergency room and for the attending physician and his assistants, including an allowance of $1,500 to be paid to the attending physician in equal monthly installments as authorized by the Act approved June 27, 1940 (54 Stat. 629), and including an allowance of $75 per month each to four assistants as provided by the House resolutions adopted July 1, 1930, January 20, 1932, and November 18, 1940, and Public Law 242, Eighty-fourth Congress, $12,145. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$12,145** Estimate 1959, **$12,145**

POSTAGE STAMPS

Postage stamps: Postmaster, $320; Clerk, $640; Sergeant at Arms, $480; Doorkeeper, $400; United States airmail and special-delivery postage stamps for each Member, the Speaker, the majority and minority leaders, the majority and minority whips, and to each standing committee, as authorized by law; [$92,760] *$138,460: Provided, That the provisions of House Resolution 399, Eighty-fifth Congress, shall be the permanent law.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$92,760** Estimate 1959, **$138,460**

FOLDING DOCUMENTS

Folding documents: For folding speeches and pamphlets, at a gross rate not exceeding $2.15 per thousand or for the employment of personnel at a gross rate not exceeding $1.61 per hour per person, [$175,000] *$200,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$175,000** Estimate 1959, **$200,000**

REVISION OF LAWS

Revision of laws: For preparation and editing of the laws as authorized by the Act approved May 29, 1928 (1 U. S. C. 59), $16,500, to be expended under the direction of the Committee on the Judiciary. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$16,500** Estimate 1959, **$16,500**

SPEAKER'S AUTOMOBILE

Speaker's automobile: For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the Speaker, [$8,000] *$16,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$8,000** Estimate 1959, **$16,000**

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HOUSE OF REPRESENTATIVES—Continued

Current authorizations—Continued

CONTINGENT EXPENSES OF THE HOUSE—Continued

AUTOMOBILE FOR THE MAJORITY LEADER

Automobile for the majority leader: For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the majority leader of the House, [$8,000] *$16,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$8,000** Estimate 1959, **$16,000**

AUTOMOBILE FOR THE MINORITY LEADER

Automobile for the minority leader: For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the minority leader of the House, [$8,000] *$16,000.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$8,000** Estimate 1959, **$16,000**

[NEW EDITION TO THE UNITED STATES CODE]

[New edition to the United States Code: For preparation of new edition of the United States Code, $100,000, to remain available until expended.] (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$100,000**

[NEW EDITION OF THE DISTRICT OF COLUMBIA CODE]

[New edition of the District of Columbia Code: For preparation of new edition of the District of Columbia Code, $100,000, to remain available until expended.] (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$100,000**

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

[For payment to Anastasia S. Bowler, widow of James B. Bowler, late a Representative from the State of Illinois, $22,500.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$22,500**

ADMINISTRATIVE PROVISION

Salaries or wages paid out of the items herein for the House of Representatives shall hereafter be computed at basic rates, plus increased and additional compensation, as authorized and provided by law. (*Legislative Branch Appropriation Act, 1958.*)

CAPITOL POLICE

GENERAL EXPENSES

[General expenses:] For purchasing and supplying uniforms; the purchase, maintenance, and repair of police motor vehicles, including two-way police radio equipment; contingent expenses, including $25 per month for extra services performed for the Capitol Police Board by such member of the staff of the Sergeant at Arms of the Senate or the House, as may be designated by the Chairman of the Board; [$27,600] *$28,800.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, [a] **$29,600** Estimate 1959, **$28,800**

[a] Includes $2,000 appropriated in Supplemental Appropriation Act, 1958.

CAPITOL POLICE BOARD

[Capitol Police Board:] To enable the Capitol Police Board to provide additional protection for the Capitol Buildings and Grounds, including the Senate and House Office Buildings and the Capitol Power Plant, [$82,780] *$89,236.* Such sum shall be expended only for payment for salaries and other expenses of personnel detailed from the Metropolitan Police of the District of Columbia, and the Commissioners of the District of Columbia are authorized and directed to make such details upon the request of the Board. Personnel so detailed shall, during the period of such detail, serve under the direction and instructions of the Board and is authorized to exercise the same authority as members of such Metropolitan Police and members of the Capitol Police and to perform such other duties as may be assigned by the Board. Reimbursement for salaries and other expenses of such detail personnel shall be made to the government of the District of Columbia, and any sums so reimbursed shall be credited to the appropriation or appropriations from which such salaries and expenses are payable and shall be available for all the purposes thereof: *Provided,* That any person detailed under the authority of this paragraph or under similar authority in the Legislative Branch Appropriation Act, 1942, and the Second Deficiency Appropriation Act, 1940, from the Metropolitan Police of the District of Columbia shall be deemed a member of such Metropolitan Police during the period or periods of any such detail for all purposes of rank, pay, allowances, privileges, and benefits to the same extent as though such detail had not been made, and at the termination thereof any such person who was a member of such police on July 1, 1940, shall have a status with respect to rank, pay, allowances, privileges, and benefits which is not less than the status of such person in such police at the end of such detail: *Provided further,* That the Commissioners of the District of Columbia are directed to pay the lieutenants detailed under the authority of this paragraph the same salary as that paid in fiscal year 1955 plus $625 each and such increases in basic compensation as may be subsequently provided by law so long as these positions are held by the present incumbents and that the Commissioners of the District of Columbia are directed to pay the deputy chief detailed under the authority of this paragraph the same salary as that paid in fiscal year 1956 plus $600 and such increases in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$82,780** Estimate 1959, **$89,236**

The foregoing amounts under "Capitol Police" shall be disbursed by the Clerk of the House.

OFFICE OF THE LEGISLATIVE COUNSEL

For salaries and expenses of maintenance of the Office of the Legislative Counsel, as authorized by law, including increased and additional compensation as provided by law, [$361,385] *$378,000,* of which [$187,385] *$192,000* shall be disbursed by the Secretary of the Senate and [$174,000] *$186,000* shall be disbursed by the Clerk of the House[: *Provided,* That effective July 1, 1957, the gross compensation of the Legislative Counsel of the Senate shall be $17,500; and no more than three employees in the Office of the Legislative Counsel of the Senate may be designated as Senior Counsel, whose compensation shall be $15,500 gross per annum each]. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$361,385** Estimate 1959, **$378,000**

[JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES]

[For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $22,500, to be disbursed by the Secretary of the Senate.] (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$22,500**

EDUCATION OF SENATE AND HOUSE PAGES

For education of congressional pages and pages of the Supreme Court, pursuant to section 243 of the Legislative Reorganization Act, 1946, [$52,800] *$53,500,* which amount shall be advanced and credited to the applicable appropriation of the District of Columbia, and the Board of Education of the District of Columbia is hereby authorized to employ such personnel for the education of pages as may be required and to pay compensation for such services in accordance with such rates of compensation as the Board of Education may prescribe. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$52,800** Estimate 1959, **$53,500**

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Penalty Mail Costs

For expenses necessary under section 2 of Public Law 286, Eighty-third Congress, [$2,081,000] *$2,259,000*, to be available immediately. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$2,081,000** Estimate 1959, **$2,259,000**

Statement of Appropriations

For the preparation, under the direction of the Committees on Appropriations of the Senate and House of Representatives, of the statements for the [first] *second* session of the Eighty-fifth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriation bills as required by law, $10,000, to be paid to the persons designated by the chairmen of such committees to supervise the work. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$10,000** Estimate 1959, **$10,000**

ARCHITECT OF THE CAPITOL

Current authorizations:

Office of the Architect of the Capitol

SALARIES

Salaries: For the Architect of the Capitol, Assistant Architect of the Capitol, and Second Assistant Architect of the Capitol, at salary rates of $19,000, $17,500, and $16,000 per annum, respectively, and other personal services at rates of pay provided by law; and the Assistant Architect of the Capitol shall act as Architect of the Capitol during the absence or disability of that official or whenever there is no Architect, and, in case of the absence or disability of the Assistant Architect, the Second Assistant Architect of the Capitol shall so act; [$239,800] *$243,000. (31 U. S. C. 689; 40 U. S. C. 161, 162, 164a; 166b–1; 5 U. S. C. 2205, 2206; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$239,800** Estimate 1959, **$243,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
General administration of all activities under the Architect of the Capitol (total obligations)	$208,445	$239,800	$243,000
Financing:			
Unobligated balance no longer available	2,555		
Appropriation (new obligational authority)	211,000	239,800	243,000

Object Classification

		1957 actual		1958 estimate		1959 estimate
	Total number of permanent positions	27		27		27
	Average number of all employees	27		27		27
	Average GS grade and salary	8.3	$5,867	8.8	$6,210	8.8 $6,318
01	Personal services:					
	Permanent positions	$189,355		$201,540		$204,140
	Other personal services	18,642		25,160		25,160
	Total personal services	207,997		226,700		229,300
07	Other contractual services	448		400		400
11	Grants, subsidies, and contributions			12,700		13,300
	Total obligations	208,445		239,800		243,000

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of $7,500. (*40 U. S. C. 166a; Legislative Branch Appropriation Act, 1958.*)

[Hereafter the purchase of supplies and equipment and the procurement of services for all branches under the Architect of the Capitol may be made in the open market without compliance with section 3709 of the Revised Statutes of the United States, as amended, in the manner common among businessmen, when the aggregate amount of the purchase or the service does not exceed $1,000 in any instance.] (*Legislative Branch Appropriation Act, 1958.*)

CONTINGENT EXPENSES

Contingent expenses: To enable the Architect of the Capitol to make surveys and studies and to meet unforeseen expenses in connection with activities under his care, $50,000. (*Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$50,000** Estimate 1959, **$50,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Unforeseen expenses in connection with all activities under the Architect of the Capitol (total obligations)	$18,858	$50,000	$50,000
Financing:			
Unobligated balance no longer available	31,142		
Appropriation (new obligational authority)	50,000	50,000	50,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services		$50,000	$50,000
	Remodeling Senate terrace rooms to provide additional accommodations for the Senate recording and television facility	$13,625		
	Emergency boiler repairs, Capitol Power Plant	1,978		
	Installation of safety devices, Senate subway transportation system	3,157		
	Survey and study, remodeling Senate Office Building	98		
	Total obligations	18,858	50,000	50,000

Capitol Buildings and Grounds

CAPITOL BUILDINGS

Capitol Buildings: For necessary expenditures for the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, fuel, oil, waste, and appurtenances; furnishings and office equipment; special and protective clothing for workmen; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); personal and other services; cleaning and repairing works of art, without regard to section 3709 of the Revised Statutes, as amended; purchase or exchange, maintenance and operation of passenger motor vehicle; not to exceed $300 for the purchase of necessary reference books and periodicals; not to exceed $500 for expenses of attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol; [$901,800] *$893,600. (40 U. S. C. 162, 163, 163a, 166; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$901,800** Estimate 1959, **$893,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance and operation of the Capitol (total obligations)	$782,147	$926,800	$893,600
Financing:			
Unobligated balance brought forward	−19,036		
Unobligated balance no longer available	61,589		
New obligational authority	824,700	926,800	893,600
New obligational authority:			
Appropriation	$764,700	$901,800	$893,600
Reappropriation	60,000	25,000	

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

CAPITOL BUILDINGS—continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	137	140	141
Average number of all employees	135	138	141
Average GS grade and salary	8.2 $5,828	8.9 $6,053	8.9 $6,157
Average salary of ungraded positions	$3,880	$4,256	$4,368
01 Personal services:			
Permanent positions	$516,032	$566,000	$597,200
Positions other than permanent	12,849	16,000	16,000
Other personal services	98,786	107,300	112,300
Total personal services	627,667	689,300	725,500
02 Travel	143	100	100
03 Transportation of things	23	25	25
04 Communication services	54	20	20
Penalty mail	600	600	1,000
07 Other contractual services:			
Annual painting	38,192	30,000	32,000
Elevator repairs and improvements	3,488	4,000	4,000
Substation equipment and repairs	3,226	4,600	4,205
General annual repairs and alterations	31,310	37,600	26,300
Maintenance and repair, lighting systems, grounds	7,483	9,205	10,500
Maintenance, air-conditioning system	19,865	25,300	21,900
Payment to employees' life insurance fund	1,847	2,000	2,000
Repairs, works of art		5,000	5,000
Advertising		50	50
Installation of 2 additional elevators in Senate wing and improvements to 2 adjoining elevators	19,424	25,000	
Painting interior shell of dome, interior of outer shell of dome, and all structural members of dome		37,500	
Purchase of framed oil portrait of former Architect of the Capitol	1,650		
08 Suplies and materials	23,417	23,400	27,300
09 Equipment	3,758	1,000	1,000
11 Grants, subsidies, and contributions		32,700	32,700
Total obligations	782,147	926,800	893,600

CAPITOL GROUNDS

Capitol Grounds: For care and improvement of grounds surrounding the Capitol, Senate and House Office Buildings; Capitol Power Plant; personal and other services; care of trees; planting; fertilizers; repairs to pavements, walks, and roadways; waterproof wearing apparel; maintenance of signal lights; and for snow removal by hire of men and equipment or under contract without compliance with section 3709 of the Revised Statutes, as amended; [$307,000: *Provided*, That not to exceed $56,000 of the amount made available under this head for the fiscal year 1957 for construction of a combined sanitary-storm water sewer extending from the Additional Senate Office Building to the existing sewer crossing Constitution Avenue just west of New Jersey Avenue Northwest is hereby continued available until June 30, 1958] *$317,600. (40 U. S. C. 162, 193a; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$307,000** Estimate 1959, **$317,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Care and improvement of the Capitol grounds (total obligations)	$863,990	$363,000	$317,600
Financing:			
Unobligated balance no longer available	68,610		
New obligational authority	932,600	363,000	317,600
New obligational authority:			
Appropriation	$932,600	$307,000	$317,600
Reappropriation		56,000	

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	54	54	54
Average number of all employees	51	54	54
Average GS grade and salary	6.3 $4,681	6.3 $4,719	6.3 $4,812
Average salary of ungraded positions	$3,454	$3,793	$3,946
01 Personal services:			
Permanent positions	$181,376	$210,200	$220,000
Positions other than permanent	14,372	7,500	7,500
Other personal services	31,702	33,100	33,100
Total personal services	227,450	250,800	260,600
02 Travel		50	50
03 Transportation of things	22	30	30
04 Communication services	4	20	20
07 Other contractual services:			
General annual repairs	16,948	8,450	8,450
Snow removal	1,996	5,000	5,000
Maintenance of signal lights	1,703	2,000	2,000
Repairs to streets, sidewalks, curbing, and other paved areas	6,097	12,000	12,000
Payment to employees' life insurance fund	545	500	700
Advertising		50	50
New combined sanitary-storm water sewer	594,000	56,000	
08 Supplies and materials	10,142	8,500	8,500
09 Equipment	5,083	5,800	5,800
11 Grants, subsidies, and contributions		13,800	14,400
Total obligations	863,990	363,000	317,600

SUBWAY TRANSPORTATION, CAPITOL AND SENATE OFFICE BUILDINGS

Subway transportation, Capitol and Senate Office Buildings: For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office [Building] *Buildings* with the Capitol, including personal and other services, [$4,500] *$6,000. (36 Stat. 1443; 62 Stat. 1029; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$4,500** Estimate 1959, **$6,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance of the subway transportation system connecting the Senate Office Buildings with the Capitol (total obligations)	$6,518	$4,500	$6,000
Financing:			
Unobligated balance no longer available	82		
Appropriation (new obligational authority)	6,600	4,500	6,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services:			
General annual repairs	$2,604	$3,700	$5,000
Installation of track brakeshoes and safety devices on subway cars	3,617		
08 Supplies and materials	297	350	500
09 Equipment		450	500
Total obligations	6,518	4,500	6,000

SENATE OFFICE BUILDINGS

Senate Office Buildings: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including eight female attendants in charge of ladies' retiring rooms at $1,800 each, for the care and operation of the Senate Office Buildings; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, [$1,320,400: *Provided*, That not to exceed $87,000 of the amount made available under the head "Senate Office Building" in the Legislative Branch Appropriation Act,

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1957, shall continue available until expended] *$1,822,000. (40 U. S. C. 174b–1; 174c; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$1,320,400** Estimate 1959, **$1,822,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance and operation of the Senate Office Buildings (total obligations)	$1,144,077	$1,407,400	$1,822,000
Financing:			
Unobligated balance no longer available	121,523		
New obligational authority	1,265,600	1,407,400	1,822,000
New obligational authority:			
Appropriation	$1,265,600	$1,320,400	$1,822,000
Reappropriation		87,000	

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	218	361	361
Average number of all employees	217	280	361
Average GS grade and salary	6.4 $4,671	6.0 $4,562	6.0 $4,670
Average salary of ungraded positions	$3,545	$3,469	$3,623
01 Personal services:			
Permanent positions	$706,530	$905,600	$1,212,300
Positions other than permanent	11,068	15,000	15,000
Other personal services	111,392	150,000	205,700
Total personal services	828,990	1,070,600	1,433,000
02 Travel	575		
03 Transportation of things	84		
04 Communication services	268		
07 Other contractual services:			
Elevator repairs and improvements	27,607	2,500	5,000
Furniture repairs	2,954	2,500	5,000
General annual repairs	7,962	15,000	15,000
Annual painting	31,567	27,000	37,000
Laundry	4,719	6,500	10,000
Ice	2,289	2,000	3,000
Maintenance, air-conditioning systems	9,355	9,700	9,700
Rebuild four central-station air-conditioning units, First Street wing, Senate Office Building			137,000
Repairs to roof	24,850	45,000	
Replacement of lighting fixtures	130,766	87,000	
Payment to employees' life insurance fund	2,381	2,500	3,800
08 Supplies and materials	25,433	30,000	35,000
09 Equipment:			
Annual rugs and floor coverings	11,744	25,000	25,000
Annual tools, machinery, and miscellaneous	2,772	14,600	3,000
Annual furniture and furnishings	4,124	2,500	5,000
Revolving arm chairs for offices	3,562	3,650	3,650
Typists chairs for offices	1,327	1,350	1,350
File cabinets	10,782	5,000	5,000
New typewriter desks (50) and flat top desks (10)	5,980	6,000	6,000
Dust collector for carpenter shop	3,986		
Reception arm chairs			6,000
Folding chairs			3,500
11 Grants, subsidies, and contributions		49,000	70,000
Total obligations	1,144,077	1,407,400	1,822,000

LEGISLATIVE GARAGE

Legislative garage: For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, [$40,300] *$42,000. (40 U. S. C. 185a; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$40,300** Estimate 1959, **$42,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance and operation of legislative garage (total obligations)	$37,401	$40,300	$42,000
Financing:			
Unobligated balance no longer available	1,099		
Appropriation (new obligational authority)	38,500	40,300	42,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	7	7	7
Average number of all employees	7	7	7
Average salary of ungraded positions	$3,422	$3,670	$3,771
01 Personal services:			
Permanent positions	$23,952	$25,560	$26,400
Other personal services	9,419	9,440	10,300
Total personal services	33,371	35,000	36,700
07 Other contractual services: General annual repairs	2,896	2,500	2,500
08 Supplies and materials	1,134	1,000	1,000
11 Grants, subsidies, and contributions		1,800	1,800
Total obligations	37,401	40,300	42,000

HOUSE OFFICE BUILDINGS

House Office Buildings: For maintenance, including equipment, waterproof wearing apparel, uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131), miscellaneous items, and for all necessary services, [$1,258,000] *$1,283,400. (40 U. S. C. 175; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$1,258,000** Estimate 1959, **$1,283,400**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance and operation of the House Office Buildings (total obligations)	$1,132,903	$1,258,000	$1,283,400
Financing:			
Unobligated balance no longer available	16,997		
Appropriation (new obligational authority)	1,149,900	1,258,000	1,283,400

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	360	364	364
Average number of all employees	356	364	364
Average GS grade and salary	5.5 $4,540	5.7 $4,618	5.7 $4,705
Average salary of ungraded positions	$3,326	$3,532	$3,594
01 Personal services:			
Permanent positions	$891,782	$981,100	$998,400
Positions other than permanent	3,437	2,500	2,500
Other personal services	96,282	113,100	118,100
Total personal services	991,501	1,096,700	1,119,000
02 Travel		25	25
03 Transportation of things	10	10	10
04 Communication services	4	10	10
07 Other contractual services:			
Annual painting	41,431	40,000	52,000
Elevator repairs	6,424	4,955	4,955
Maintenance, air-conditioning systems	10,524	13,100	7,200
General annual repairs	5,599	10,000	10,000
Payment to employees' life insurance fund	3,265	3,200	3,200
Replacement of revolving door, old building		8,000	
Elevator modernization and improvements	31,218		
Laundry	2,844		
08 Supplies and materials	35,815	25,000	30,000
09 Equipment:			
Special equipment	1,141	1,000	1,000
Storage boxes	3,127	3,000	3,000
11 Grants, subsidies, and contributions		53,000	53,000
Total obligations	1,132,903	1,258,000	1,283,400

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

Acquisition of property, construction and equipment, additional House Office Building: To enable the Architect of the Capitol, under the direction of the House Office Building Commission, to continue to provide for the acquisition of property, construction and equip-

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

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

ment of an additional fireproof office building for the use of the House of Representatives, and other changes and improvements, authorized by the Additional House Office Building Act of 1955 (69 Stat. 41, 42), [$7,500,000] *$22,500,000. (Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$7,500,000** Estimate 1959, **$22,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses	$2,093,516	$30,850	$35,000
2. Construction and equipment of an additional office building for the House of Representatives	1,327,489	18,178,000	46,000,000
3. Changes, alterations, and remodeling, Old House Office Building	2,271	1,957,770	2,000,000
4. Changes, alterations, and remodeling, New House Office Building	552	1,825,000	2,000,000
5. Administration, miscellaneous, contingencies, and appurtenances	76,800	650,000	225,000
Total obligations	3,500,628	22,641,620	50,260,000
Financing:			
Unobligated balance brought forward:			
Appropriation		−47,327	
Contract authorization (indefinite)	−88,547,955	−85,000,000	−62,405,707
Unobligated balance carried forward:			
Appropriation	47,327		
Contract authorization (indefinite)	85,000,000	62,405,707	12,145,707
Contract authorization (indefinite)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$95,000,000	$85,000,000	$77,500,000
Unfunded balance at end of year	−85,000,000	−77,500,000	−55,000,000
Appropriation to liquidate contract authorization	10,000,000	7,500,000	22,500,000

Object Classification

07 Other contractual services:			
Construction and equipment of an additional office building for the House of Representatives	$1,327,489	$18,178,000	$46,000,000
Changes, alterations, and remodeling, Old House Office Building	2,271	1,957,770	2,000,000
Changes, alterations, and remodeling, New House Office Building	552	1,825,000	2,000,000
Administration, miscellaneous, contingencies, and appurtenances	76,800	650,000	225,000
10 Lands and structures: Acquisition of property, protection, maintenance and demolition of structures, and miscellaneous incidental expenses	2,093,516	30,850	35,000
Total obligations	3,500,628	22,641,620	50,260,000

CAPITOL POWER PLANT

Capitol Power Plant: For lighting, heating, and power (including the purchase of electrical energy), for the Capitol, Senate and House Office Buildings, Supreme Court Building, Congressional Library Buildings, and the grounds about the same, Botanic Garden, legislative garage, and for air-conditioning refrigeration not supplied from plants in any of such buildings; for heating the Government Printing Office, Washington City Post Office, and Folger Shakespeare Library, reimbursement for which shall be made and covered into the Treasury; personal and other services, fuel, oil, materials, waterproof wearing apparel, and all other necessary expenses in connection with the maintenance and operation of the plant, [$1,700,000] *$1,769,000. (40 U. S. C. 185; 42 Stat. 767; 46 Stat. 51, 583; 50 Stat. 10; 52 Stat. 392; 68 Stat. 803; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$1,700,000** Estimate 1959, **$1,769,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operation and maintenance of the Capitol Power Plant, its steam and chilled water distribution systems (total obligations)	$1,303,668	$1,700,000	$1,769,000
Financing:			
Unobligated balance no longer available	632		
Appropriation (new obligational authority)	1,304,300	1,700,000	1,769,000

Object Classification

Total number of permanent positions	71	71	75
Average number of all employees	70	69	75
Average GS grade and salary	7.0 $5,420	7.0 $5,497	7.0 $5,601
Average salary of ungraded positions	$4,623	$5,144	$5,268
01 Personal services:			
Permanent positions	$325,324	$355,800	$396,800
Positions other than permanent	13,087	20,000	20,000
Other personal services	41,178	52,700	52,700
Total personal services	379,589	428,500	469,500
02 Travel		100	100
03 Transportation of things		10	10
04 Communication services	78	10	10
05 Rents and utility services:			
Annual gas	128	200	200
Purchase of electrical energy	584,118	653,400	790,000
07 Other contractual services:			
General annual repairs and alterations	37,410	36,000	41,000
Payment to employees' life insurance fund	1,159	1,230	1,230
Advertising		50	50
Repairs and replacement, steam tunnel		107,000	
Survey and study of Capitol Power Plant and other facilities required for expanded building program		50,000	
08 Supplies and materials:			
Miscellaneous annual supplies	15,098	17,500	21,000
Fuel	286,088	382,000	386,900
09 Equipment:			
Replacement of bulldozer			24,000
Purchase of air compressor			7,000
11 Grants, subsidies, and contributions		24,000	28,000
Total obligations	1,303,668	1,700,000	1,769,000

[ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE]

[Construction and equipment of additional Senate Office Building: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to continue to provide for the construction and equipment of a fireproof office building for the use of the United States Senate, in accordance with the provisions of the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), $2,846,000: *Provided*, That no part of the funds herein appropriated shall be obligated or expended for construction of the rear center wing of said building, from the ground floor up, provided for under the building plans heretofore approved by such Commission: *Provided further*, That the amount of $20,600,000 fixed by the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029) as the limit of cost for construction and equipment of an additional office building for the United States Senate is hereby increased by $2,846,000.] *(Legislative Branch Appropriation Act, 1958; 71 Stat. 277.)*

Appropriated 1958, **$2,846,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction and equipment of an additional office building for the United States Senate (total obligations)	$340,434	$3,815,765	
Financing:			
Unobligated balance brought forward:			
Appropriation	−88,508	−1,058,273	−$88,508
Contract authorization	−1,310,199		
Unobligated balance carried forward:			
Appropriation	1,058,273	88,508	88,508
Contract authorization (new)		2,846,000	

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Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year	$5,250,000		
Contract authorization (new)		$2,846,000	
Appropriation to liquidate contract authorization	5,250,000	2,846,000	

Object Classification

07 Other contractual services	$340,434	$3,815,765	

[FURNITURE AND FURNISHINGS, ADDITIONAL SENATE OFFICE BUILDING]

[Furniture and furnishings, additional Senate Office Building: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of the Act of July 10, 1957 (Public Law 85–93, Eighty-fifth Congress), authorizing furniture and furnishings for the additional office building for the United States Senate, authorized to be constructed and equipped by the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), $1,000,000, to remain available until expended.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Furniture and furnishings for additional Senate Office Building (total obligations)		$1,000,000	
Financing:			
Appropriation (new obligational authority)		1,000,000	

Object Classification

09 Equipment		$1,000,000	

[REMODELING, SENATE OFFICE BUILDING]

[Remodeling, Senate Office Building: Toward carrying out the provisions of the Act of July 10, 1957 (Public Law 85–95, Eighty-fifth Congress), authorizing the enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the existing Senate Office Building to provide improved accommodations for the United States Senate, $250,000, to be expended by the Architect of the Capitol under the direction of the Senate Office Building Commission and to remain available until expended: *Provided*, That the funds herein appropriated may be expended only for such work as can be done by the force of the Architect of the Capitol, except that not to exceed $20,000 of such funds may be expended on a personal service contract basis for consulting architectural and engineering services for preparation of preliminary plans and estimates of cost heretofore completed.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$250,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the existing Senate Office Building, to provide improved accommodations for the United States Senate (total obligations)		$250,000	
Financing:			
Appropriation (new obligational authority)		250,000	

Object Classification

07 Other contractual services		$250,000	

EXTENSION OF THE CAPITOL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Extension, reconstruction, and replacement of the central portion of the Capitol, and other related and appurtenant improvements (total obligations)	$2,123,156	$11,613,574	$3,225,000
Financing:			
Unobligated balance brought forward:			
Appropriation	−4,961,730	−14,838,574	−3,225,000
Contract authorization (indefinite)	−37,600,000	−25,600,000	−25,600,000
Unobligated balance carried forward:			
Appropriation	14,838,574	3,225,000	
Contract authorization	25,600,000	25,600,000	25,600,000
Contract authorization (indefinite—new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$37,600,000	$25,600,000	$25,600,000
Unfunded balance at end of year	−25,600,000	−25,600,000	−25,600,000
Appropriation to liquidate contract authorization	12,000,000		

Object Classification

07 Other contractual services	$2,123,156	$11,613,574	$3,225,000

CHANGES AND IMPROVEMENTS, CAPITOL POWER PLANT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Boiler plant changes and related improvements	$20,633	$9,408	
2. New tunnel, steam lines, chilled water lines, and related improvements	108,070	45,209	$35,000
3. Electrical conversion, 25-cycle alternating current and direct current to 60-cycle alternating current	11,416	1,339,910	1,345,000
4. Refrigeration plant changes, improvements, and additions	20,467	75,827	
5. Electrical substation, construction and equipment	262		
6. Engineering, administration, and contingencies	50,228	70,000	30,925
Total obligations	211,076	1,540,354	1,410,925
Financing:			
Unobligated balance brought forward:			
Appropriation	−1,236,355	−2,221,279	−680,925
Contract authorization	−1,196,000	−730,000	−730,000
Unobligated balance carried forward:			
Appropriation	2,221,279	680,925	
Contract authorization	730,000	730,000	
Contract authorization (new)	730,000		

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$1,196,000	$730,000	$730,000
Contract authorization (new)	730,000		
Unfunded balance at end of year	−730,000	−730,000	−730,000
Appropriation to liquidate contract authorization	1,196,000		

Object Classification

07 Other contractual services	$211,076	$1,540,354	$1,410,925

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

CAPITOL BUILDING, SENATE AND HOUSE ROOFS AND CHAMBERS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Reconstruction of roofs and skylights over Senate and House wings and remodeling Senate and House chambers, Capitol Building (total obligations)	$6,914		
Financing:			
Unobligated balance brought forward	−13,518		
Unobligated balance no longer available	6,604		
Appropriation (new obligational authority)			

Object Classification

07 Other contractual services	$6,914		

RECONSTRUCTION, REPAIR, ALTERATION, AND IMPROVEMENTS, CAPITOL GROUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Reconstruction, repair, alteration and improvement of the areas of the Capitol Grounds located above and in the vicinity of the legislative garage (total obligations)	$30,661	$19,484	
Financing:			
Unobligated balance brought forward	−50,145	−19,484	
Unobligated balance carried forward	19,484		
Appropriation (new obligational authority)			

Object Classification

02 Travel	$230		
04 Communication services	5		
07 Other contractual services	30,426	$19,484	
Total obligations	30,661	19,484	

SENATE RESTAURANTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Repairs, improvements, and equipment to provide improved facilities for the Senate restaurants, Capitol Building (total obligations)	$19,300		
Financing:			
Unobligated balance brought forward	−19,330		
Unobligated balance no longer available	30		
Appropriation (new obligational authority)			

Object Classification

07 Other contractual services	$5,717		
09 Equipment	13,583		
Total obligations	19,300		

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

Structural and mechanical care: For the necessary expenditures for mechanical and structural maintenance, including minor improvements, equipment, supplies, waterproof wearing apparel, and personal and other services, [$774,200] *$747,400*, of which not to exceed [$28,500] *$20,000* shall be available for expenditure without regard to section 3709 of the Revised Statutes, as amended. (*2 U. S. C. 141; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$774,200** Estimate 1959, **$747,400**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Mechanical and structural maintenance, Library buildings and grounds (total obligations)	$782,224	$774,200	$747,400
Financing:			
Unobligated balance no longer available	17,776		
Appropriation (new obligational authority)	800,000	774,200	747,400

Object Classification

Total number of permanent positions		59		59		59
Average number of all employees		59		57		59
Average GS grade and salary	4.5	$3,840	4.5	$3,950	4.5	$4,018
Average salary of ungraded positions		$4,601		$5,034		$5,201
01 Personal services:						
Permanent positions		$268,080		$286,100		$304,500
Other personal services		74,497		81,100		85,100
Total personal services		342,577		367,200		389,600
04 Communication services		33				
07 Other contractual services:						
General annual repairs		10,366		18,300		18,300
Annual painting		15,520		15,000		20,000
Maintenance and repairs, air-conditioning and refrigeration systems		9,349		10,000		7,500
Maintenance and repairs, elevators		3,929		5,000		5,000
Equip part of bookstacks with map cases, annex		26,724		30,000		20,000
Equip part of deck for bookshelving, annex		95,174		85,000		85,000
Installation of floor tile, both buildings		24,178		29,400		28,000
Pointing exterior stonework, both buildings		9,319		15,000		15,000
Repairs to mosaic ceilings and floor tile and marble floor tile, main building		1,324		10,000		20,000
Payment to employees' life insurance fund		835		900		1,000
Air-conditioning Coolidge Auditorium, main building						34,000
Installation of stairways and doors, 5th floor, annex (reading rooms to deck 12)						5,000
Plumbing renewals in public toilets		1,731				8,000
Replacement of pressure reducing valves, annex						22,000
Plaster repairs and renewals, both buildings						6,000
Survey and study to provide improved illumination, main and annex buildings						20,000
Roof repairs and replacements, both buildings		91,754		110,000		
Replacement of 2 dumbwaiters, main building				12,000		
Repairs to leaded stained glass skylights, main building				18,500		
Elevator modernization and improvements		111,449				
08 Supplies and materials		19,000		17,500		17,500
09 Equipment:						
Floor scrubbing machine						4,000
Replace fire gongs, main building				1,400		
Fumigation vault, annex		15,336				
Electric paper baler		1,960				
10 Care of grounds		1,666		10,000		1,500
11 Grants, subsidies, and contributions				19,000		20,000
Total obligations		782,224		774,200		747,400

FURNITURE AND FURNISHINGS

Furniture and furnishings: For furniture, partitions, screens, shelving, and electrical work pertaining thereto and repairs thereof,

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office and library equipment, apparatus, and labor-saving devices, [$67,000] *$89,800.* (*2 U. S. C. 141; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$67,000** Estimate 1959, **$89,800**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Furniture and furnishings for the Congressional Library buildings (total obligations)	$73,813	$67,000	$89,800
Financing:			
Unobligated balance no longer available	1,187		
Appropriation (new obligational authority)	75,000	67,000	89,800

Object Classification

07 Other contractual services:			
Maintenance and repair, office machines and devices	$9,064	$9,500	$9,500
Refinishing central desk, main reading room, main building			6,000
Resurfacing desk tops, main reading room, main building	10,565		
09 Equipment:			
Annual office furniture, equipment, and office machines	28,115	30,000	30,000
Typewriter replacements	9,958	10,000	15,000
Movable partitions	5,689	10,000	10,000
Visible file cases for serial record		1,225	1,225
Recarpeting rare-book room and chief assistant librarian's office			3,375
60-cycle alternating current electric fans for main building			14,700
Refurnishing study facilities, deck "D," main building		2,250	
Electric adding machines		1,225	
Microfilm reading machines		1,700	
Replacement of rugs, congressional reading room, main building		1,100	
Composing machines and related equipment for card division	5,449		
Card cabinets for copyright office	4,973		
Total obligations	73,813	67,000	89,800

BOTANIC GARDEN

Current authorizations:

Salaries and Expenses

Salaries and expenses: For all necessary expenses incident to maintaining, operating, repairing, and improving the Botanic Garden and the nurseries, buildings, grounds, collections, and equipment pertaining thereto, including personal services (including not to exceed $3,000 for temporary labor without regard to the Classification Act of 1949, as amended); waterproof wearing apparel; not to exceed $25 for emergency medical supplies; traveling expenses including streetcar fares, not to exceed $275; the prevention and eradication of insect and other pests and plant diseases by purchase of materials and procurement of personal services by contract without regard to the provisions of any other Act; purchase and exchange of motor trucks; purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; purchase of botanical books, periodicals, and books of reference, not to exceed $100; all under the direction of the Joint Committee on the Library; [$275,500] *$385,500*: *Provided*, That no part of this appropriation shall be used for the distribution, by congressional allotment, of trees, plants, shrubs, or other nursery stock. (*40 U. S. C. 216; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$275,500** Estimate 1959, **$385,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance and operation of the Botanic Garden (total obligations)	$248,404	$275,500	$385,500
Financing:			
Unobligated balance no longer available	5,196		
Appropriation (new obligational authority)	253,600	275,500	385,500

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	48	48	48
Average number of all employees	46	47	47
Average GS grade and salary	3.9 $3,897	4.0 $3,958	4.0 $4,020
Average salary of ungraded positions	$4,014	$4,415	$4,599
01 Personal services:			
Permanent positions	$181,934	$193,900	$200,400
Positions other than permanent	2,982	3,000	3,000
Other personal services	32,989	33,500	36,500
Total personal services	217,905	230,400	239,900
02 Travel	71	150	150
03 Transportation of things		50	50
04 Communication services	126	100	100
Penalty mail	20	100	100
05 Rents and utility services	293	300	300
07 Other contractual services:			
General annual repairs	8,198	5,200	5,200
Laundry	115	100	100
Payment to employees' life insurance fund	544	600	600
Repairs to main conservatory			100,000
08 Supplies and materials	11,324	10,000	10,000
09 Equipment: Botanic Garden stock	9,808	15,400	15,400
10 Annual care of grounds		100	100
11 Grants, subsidies, and contributions		13,000	13,500
Total obligations	248,404	275,500	385,500

Relocation of Greenhouses

Relocation of greenhouses, Botanic Garden: To enable the Architect of the Capitol, under the direction of the Joint Committee on the Library, to provide for the relocation of greenhouses in accordance with the provisions of the Act of August 6, 1956 (70 Stat. 1068), $587,000, to remain available until expended.

Estimate 1959, **$587,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Demolition and removal of existing greenhouses and other structures from square 576 west in the District of Columbia, and construction in lieu thereof, of new greenhouses and other necessary structures at the Botanic Garden nursery (total obligations)			$587,000
Financing:			
Appropriation (new obligational authority)			587,000

Object Classification

07 Other contractual services			$587,000

LIBRARY OF CONGRESS

The Library of Congress, established in 1800, is not only the library of the Congress itself, but is also the principal general library of the United States Government. The Library's first obligation is to the Congress; the second, to other agencies of the Government; and the third, to other libraries, scholars, investigators, and the general public. Its collections are comprehensive and varied, and include outstanding collections of books, periodicals, newspapers, documents of the national governments of the world, literature in the Oriental languages, etc., and manuscripts, maps, music, motion picture films, sound recordings, prints, and photographs. In addition to maintenance of the collections and the rendering of the general and basic services connected therewith, including the Legislative Reference Service, certain specialized functions are performed; registration of copyrights, catalog card distribution, and the service of books in raised characters and talking books to the blind. In terms of these broad fields of activity

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LIBRARY OF CONGRESS—Continued

comparative obligations (including only those chargeable to annual appropriations) for 1957 and estimated for 1958 and 1959 are:

	1957 actual	*1958 estimate*	*1959 estimate*
General and basic services:			
Acquisition of library materials	$963,002	$1,065,125	$1,045,672
Organization of the collections	2,007,505	2,268,795	2,405,971
Reader and reference services	1,354,628	1,516,521	1,554,936
Maintenance and protective services	789,098	854,457	866,993
Executive direction and general administrative services	719,567	754,588	770,836
Total general and basic services	5,833,800	6,459,486	6,644,408
Special service to the Congress: Legislative Reference Service	1,066,675	1,200,000	1,257,609
Specialized services:			
Copyright	1,176,662	1,272,655	1,274,056
Catalog card distribution service	1,486,656	1,620,000	1,777,535
Books for the blind	1,065,369	1,125,000	1,355,000
Total specialized services	3,728,687	4,017,655	4,406,591
Total obligations	10,629,162	11,677,141	12,308,608

In addition to funds appropriated annually by Congress, there are also available a number of gift and trust funds, and working funds.

Estimates for the physical equipment, maintenance, and operation of the Library buildings are carried under the request of the Architect of the Capitol.

Current authorizations:

Salaries and Expenses

Salaries and expenses: For necessary expenses of the Library of Congress, not otherwise provided for, including development and maintenance of the Union Catalogs; custody, care, and maintenance of the Library Buildings; special clothing; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board; [$5,875,000] *$6,154,408. (2 U. S. C. 131–166; 5 U. S. C. 150; 17 U. S. C. 1–215; 20 U. S. C. 91; 28 U. S. C. 921; 31 U. S. C. 588, 589; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, $5,875,000 Estimate 1959, * **$6,154,408**

* Includes $118,479 for activities previously carried under "Salaries and expenses," Copyright Office, Library of Congress. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition of library materials	$548,489	$597,984	$605,672
2. Organization of the collections	2,007,505	2,268,795	2,355,971
3. Reader and reference services	1,354,628	1,516,521	1,554,936
4. Maintenance and protective services	789,098	854,457	866,993
5. Executive direction and general administrative services	719,567	754,588	770,836
Total obligations	5,419,287	5,992,345	6,154,408
Financing:			
Comparative transfers from (—) "Salaries and expenses, Copyright Office," Library of Congress	−110,192	−117,345	
Unobligated balance no longer available	1,498		
Appropriation (new obligational authority)	5,310,593	5,875,000	6,154,408

Personal services and incidental expenses for basic operations are financed from this appropriation.

1. *Acquisition of library materials.*—The development of the Library's collections is planned; materials are procured by purchase, gift, exchange, copyright deposit, transfer, and official deposit; and materials are selected for addition to the permanent collections. The objective for 1959 is to continue improvement in acquisitions procedures and in exchange relations with institutions in the more important areas of the world. The collections totaled 36,118,639 items as of June 30, 1957, and consisted of 11,057,773 books and pamphlets; 15,469,572 manuscript pieces, and 9,591,294 maps, pieces of music, reels of microfilm, photographs, and other miscellaneous items. Of the items received, about 1,000,000 are added to the permanent collections annually. Those received from various sources in 1957 and estimated for 1958 and 1959 are as follows:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Purchase	518,221	550,000	550,000
Deposit by virtue of law:			
Copyright	356,263	361,607	366,951
Other	550,463	550,000	550,000
Transfer from Federal agencies	2,517,324	2,250,000	2,250,000
Official donation from State and local agencies	109,175	100,000	100,000
Exchange	455,844	450,000	450,000
Gift from individual and unofficial sources	796,031	1,000,000	1,000,000
Total	5,303,321	5,261,607	5,266,951

2. *Organization of the collections.*—Library materials are cataloged, classified, marked, and arranged; Library of Congress catalogs and the main National Union Catalog (card catalog) are maintained; special collections are organized for use; and binding operations are controlled. The objectives for this activity in 1959 are the cataloging of a larger number of the materials received during the year particularly those in Oriental languages; handling receipts of special materials and organizing them for use on a current basis; and improved cataloging methods and procedures to assure the usefulness of the collections.

Selected performance data for 1957 and estimated for 1958 and 1959 (not including processing activities performed by the Reference Department and the Law Library) are as follows:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Volumes fully cataloged and added to the classified collection	139,942	165,000	175,000
Items otherwise organized for use (without full cataloging)	14,077	40,000	40,000
Cards filed in catalogs	1,466,847	1,800,000	1,800,000
Volumes bound	70,146	74,500	74,500
Items repaired, cleaned, mounted, etc	194,928	194,000	195,000
Cards filed in the National Union Catalog and its supplements	1,120,066	1,200,000	1,300,000

3. *Reader and reference services.*—Books and other library materials are provided within and without the Library, reference and bibliographic assistance is rendered, and custody of the collections is maintained. The objectives for 1959 include adequate and improved service to readers during the 52 hours of full service and the 26 hours of limited service weekly; service in the New Senate Office Building; and improved organization of material through the preparation of bibliographies, checklists, indexes, and other finding aids. The workload in all major activities is expected to increase in 1958 and 1959, as follows:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
General reader and reference service:			
Books and pamphlets served	1,258,508	1,300,000	1,300,000
Other units of material served	615,605	675,000	675,000
Units issued on loan	200,935	210,000	215,000
Reference inquiries answered	457,789	475,000	480,000
Reference letters	64,735	70,000	75,000
Law library reader and reference service:			
Books and pamphlets served	325,478	350,000	365,000
Reference inquiries answered	74,770	78,000	80,000

4. *Maintenance and protective services.*—A staff of 191, including 82 part-time charwomen, preserves, cleans, and maintains the two library buildings, collections, and grounds; operates telephone switchboards, elevators, check stands, and motor vehicles; procures and maintains furniture, office supplies, housekeeping materials, and miscellaneous equipment; assigns space; and operates the receiving and stockrooms. The guard force staff of 76 is necessary to prevent fire and theft, to maintain order, and to provide regular inspections of all areas in both buildings in which is assembled one of the greatest accumulations of national treasures in the world.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	985	1,024	1,038
Full-time equivalent of all other positions	38	42	42
Average number of all employees	1,006	1,057	1,071
Number of employees at end of year	1,070	1,117	1,131
Average GS grade and salary	6.0 $4,880	6.0 $4,896	6.0 $4,947
Average salary of ungraded positions	$3,091	$3,152	$3,152
01 Personal services:			
Permanent positions	$4,586,544	$4,850,388	$4,967,563
Positions other than permanent	109,414	118,348	118,348
Other personal services	89,643	79,759	79,759
Total personal services	4,785,601	5,048,495	5,165,670
02 Travel	1,498	1,300	1,300
03 Transportation of things	528	850	850
04 Communication services	52,142	51,950	55,550
05 Rents and utility services	32,832	32,500	34,900
06 Printing and reproduction	465,136	464,180	493,741
07 Other contractual services	44,268	40,298	42,798
08 Supplies and materials	36,011	26,800	26,800
09 Equipment	1,271		1,750
11 Grants, subsidies, and contributions		324,972	330,049
13 Refunds, awards, and indemnities		1,000	1,000
Total obligations	5,419,287	5,992,345	6,154,408

Copyright Office

SALARIES AND EXPENSES

Salaries and expenses: For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, [$1,390,000] *$1,274,056. (2 U. S. C. 131, 136, 139, 140, 150; 17 U. S. C. 1–215; 31 U. S. C. 588, 589; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$1,390,000** Estimate 1959, [a] **$1,274,056**

[a] Excludes $118,479 for activities transferred to "Salaries and expenses," Library of Congress. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Receiving and accounting for applications, fees, and correspondence	$283,151	$312,814	$327,089
2. Examining copyright applications	270,340	293,412	308,330
3. Indexing and cataloging materials received	290,100	312,533	316,646
4. Reference services	121,052	127,748	130,594
5. Printing the catalog of copyright entries and bulletins of decisions	32,838	30,000	32,500
6. General supervision and legal services	179,181	196,148	158,897
Total obligations	1,176,662	1,272,655	1,274,056
Financing:			
Comparative transfers to "Salaries and expenses," Library of Congress	110,192	117,345	
Unobligated balance no longer available	693		
Appropriation (new obligational authority)	1,287,547	1,390,000	1,274,056

The Copyright Office is responsible for recording copyright claims, assignments and renewals, for supplying copyright information to the public, for collecting and accounting for copyright fees, and for printing complete and indexed catalogs for each class of copyright entries. The office is conducted as a business operation. The amount requested for personal services is substantially counterbalanced by fees received for services rendered as indicated in the table which follows. In addition, the value of books and other library materials deposited in accordance with the Copyright Act and transferred to the Library of Congress is credited to the copyright operation. The income and costs for 1957 and estimates for 1958 and 1959 are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Income:			
Fees applied	$892,612	$906,001	$919,390
Estimated value of materials deposited	542,389	550,525	558,661
Total income	1,435,001	1,456,526	1,478,051
Costs:			
Salaries	1,088,140	1,127,372	1,120,442
Other costs	88,522	145,283	153,614
Total costs	1,176,662	1,272,655	1,274,056

The program and performance under each of the activities described are predicated on an estimated 232,581 copyright registrations during 1959, an estimated 229,194 during 1958, and an actual 225,807 during 1957.

1. *Receiving and accounting for applications, etc.*—Materials received by the Copyright Office are assembled and routed; accounts are maintained for all moneys received; records relating to the registration of copyrights are filed; and materials are deposited in accordance with the Copyright Act. Performance data are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Registrations	225,807	229,194	232,581
Mail received and dispatched	518,189	525,961	533,733

2. *Examining copyright applications.*—All applications and deposits are examined before issuance of registration certificates or recording of documents to determine whether the provisions of the Copyright Act have been satisfied. Performance data are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Cases and documents examined	290,467	294,824	299,181
Registrations and recordation of documents	233,941	237,450	240,959

3. *Indexing and cataloging materials received.*—The Register of Copyrights is required to print complete and indexed catalogs of all items registered. The catalog entries prepared by the Copyright Office are made available in part to the Library for its general operations. Registrations cataloged are shown under No. 1 above.

4. *Reference services.*—The Copyright Office makes available to the public, information concerning the provisions of the Copyright Act, including procedures, policies, and rulings; information concerning registrations is furnished on a fee basis. Obtaining compliance with registration requirements is also part of this activity. Performance data are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Titles searched	55,489	56,321	57,153
Letters and search reports written	24,123	24,485	24,847

5. *Printing the catalog of copyright entries and bulletins of decisions.*—Catalogs for each class of copyright entries and bulletins of copyright decisions are printed and made available to the public.

6. *General supervision and legal services.*—The work includes legal services relating to the status and improvement of copyright law in its foreign as well as domestic aspects.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	236	238	234
Average number of all employees	229	237	233
Number of employees at end of year	256	258	254
Average GS grade and salary	5.9 $4,685	6.0 $4,717	6.0 $4,769
Average salary of ungraded positions	$4,220	$4,347	$4,347
01 Personal services:			
Permanent positions	$1,069,726	$1,117,557	$1,110,627
Positions other than permanent		500	500
Other personal services	18,414	9,315	9,315
Total personal services	1,088,140	1,127,372	1,120,442

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

COPYRIGHT OFFICE—Continued

SALARIES AND EXPENSES—continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$4,175	$4,000	$4,000
04 Communication services	1,650	8,500	8,500
06 Printing and reproduction	61,988	44,100	52,500
07 Other contractual services	8,724	10,900	10,900
08 Supplies amd materials	10,003	5,000	5,000
09 Equipment	1,982		
11 Grants, subsidies, and contributions		72,783	72,714
Total obligations	1,176,662	1,272,655	1,274,056

LEGISLATIVE REFERENCE SERVICE

SALARIES AND EXPENSES

Salaries and expenses: For expenses necessary to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended (2 U. S. C. 166), [$1,200,000] *$1,257,609*: *Provided*, That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration. (*2 U. S. C. 136, 139, 150, 164, 164a, 165, 166; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$1,200,000** Estimate 1959, **$1,257,609**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research and analysis	$857,959	$976,762	$1,031,588
2. Preparation of indexes and digests	60,814	80,406	81,300
3. Reference files, bibliographic, and congressional reader service	103,338	89,787	90,975
4. Administration	44,564	53,045	53,746
Total obligations	1,066,675	1,200,000	1,257,609
Financing:			
Unobligated balance no longer available	712		
Appropriation (new obligational authority)	1,067,387	1,200,000	1,257,609

The Legislative Reference Service prepares research reports, digests, etc., in answer to inquiries from Members and committees of Congress.

1. *Research and analysis.*—The Legislative Reorganization Act of 1946 lists 19 specific fields of congressional concern in which top-level research by senior specialists is authorized. These correspond in general to the spheres of committee activity. The following 12 fields are now covered by one or more senior specialists: International trade, international affairs, taxation and fiscal policy, American government and public administration, conservation, American public law, labor, engineering and public works, agriculture, price economics, social welfare, and transportation and communications. Available to the Members and committees are also the preparation of charts, translations, reading lists, information in report form or otherwise, and answers to spot reference inquiries. In 1957, a total of 60,443 congressional inquiries was answered. Since 1950, the average annual increase in the number of inquiries has been 5.5%. The total of inquiries for 1958 is estimated at 64,500; and for 1959, 67,000.

2. *Preparation of indexes and digests.*—The Digest of Public General Bills covered 9,232 bills and resolutions during the Eighty-fifth Congress, first session. It is expected that there will be as many bills to be covered during the Eighty-sixth Congress, first session. The preparation of analytical and name indexes to an increasing number of committee hearings is to be continued.

3. *Reference files, bibliographic and congressional reader service.*—Reference files, containing clippings, pamphlets, and documents are maintained as the basis for reply to the majority of inquiries; researchers are supplied with bibliographic and reference tools; selective and comprehensive bibliographies are prepared for Members and committees of Congress; and reader services are provided by the congressional reading room. During 1957, a total of 70,324 reference file items was processed, 11,763 bibliographic entries prepared, 39,531 published items acquired and processed, and 3,455 readers served.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	158	163	171
Average number of all employees	152	158	166
Number of employees at end of year	158	163	171
Average GS grade and salary	8.9 $6,702	9.1 $6,881	9.0 $6,875
Average salary of ungraded positions		$3,863	$3,863
01 Personal services:			
Permanent positions	$1,020,074	$1,080,502	$1,134,595
Positions other than permanent	406	500	500
Other personal services	5,347	9,537	9,537
Total personal services	1,025,827	1,090,539	1,144,632
02 Travel	856	1,000	1,000
04 Communication services	260	200	200
06 Printing and reproduction	17,412	13,000	13,000
07 Other contractual services	14,773	18,627	18,627
08 Supplies and materials	7,547	5,500	5,500
11 Grants, subsidies, and contributions		71,134	74,650
Total obligations	1,066,675	1,200,000	1,257,609

DISTRIBUTION OF CATALOG CARDS

SALARIES AND EXPENSES

Salaries and expenses: For expenses necessary for the preparation and distribution of catalog cards and other publications of the Library, [$1,620,000] *$1,777,535*. (*2 U. S. C. 131, 136, 139, 140, 150; 31 U. S. C. 588, 589; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$1,620,000** Estimate 1959, **$1,777,535**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Supplying cards for the Library of Congress	$242,030	$268,610	$278,170
2. Supplying cards for other libraries	907,743	959,978	1,046,421
3. Preparation, printing, and distribution of publications related to cataloging	123,617	94,352	99,864
4. Preparation, printing, and distribution of the National Union Catalog	160,510	241,610	296,565
5. Preparation, printing, and distribution of the Subject Catalog	52,756	55,450	56,515
Total obligations	1,486,656	1,620,000	1,777,535
Financing:			
Unobligated balance no longer available	444		
Appropriation (new obligational authority)	1,487,100	1,620,000	1,777,535

The card division sells copies of the Library's printed catalog cards and publications. It maintains a stock of over 130,000,000 catalog cards representing some 3,200,000 titles, and fills orders from approximately 9,000 regular subscribers—mostly libraries—in the United States and abroad. In 1957, about 97% of this appropriation was recovered in the form of receipts from card and publica-

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tion sales. Receipts of $1,441,000 were deposited in miscellaneous receipts of the Treasury in 1957. The objectives for 1959 are meeting the increased demand for catalog cards and maintaining a reasonable level of service and economy, the continued expansion of the National Union Catalog, and the printing of cards for books in Chinese and Japanese.

1. *Supplying cards for the Library of Congress.*—The number of cards supplied to the Library of Congress in 1957 was 4,087,673; estimated for 1958, 4,200,000; and for 1959, 4,500,000.

2. *Supplying cards for other libraries.*—The number of cards sold in 1957 was 26,953,659; estimated for 1958, 28,300,000; and for 1959, 29,700,000.

3. *Preparation, printing, and distribution of publications related to cataloging.*—These publications are an integral part of the cataloging activities of the Library of Congress and include the Classification Schedules, lists of Subject Headings, Rules for Descriptive Cataloging, Cataloging Service Bulletins, and similar publications.

4. *Preparation, printing, and distribution of the National Union Catalog.*—This catalog (a cumulative author list) is issued monthly and cumulated quarterly and annually. Subscribers also receive issues of Motion Pictures and Filmstrips (quarterlies with annual cumulation), and Music and Phonorecords (issued on a 6-month basis and annual cumulation). There were 956 paid subscriptions for all issues in calendar year 1957, and it is estimated that there will be 970 subscriptions for 1958 and 1,000 for 1959. It is anticipated that 400 copies of the 1957 issue will be sold in 1958 and the same number in 1959.

5. *Preparation, printing, and distribution of the Subject Catalog.*—This catalog is issued in 3 quarterly volumes with an annual cumulation. There were 384 paid subscriptions for calendar year 1957. It is estimated that there will be 400 paid subscriptions in 1958 and about 410 in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	204	215	223
Average number of all employees	195	210	218
Number of employees at end of year	207	218	226
Average GS grade and salary	4.5 $4,082	4.6 $4,109	4.5 $4,141
Average salary of ungraded positions	$4,485	$4,485	$4,485
01 Personal services:			
Permanent positions	$795,416	$863,511	$903,541
Other personal services	38,625	3,399	3,399
Total personal services	834,041	866,910	906,940
02 Travel	3,496	3,400	3,400
03 Transportation of things	1,123	800	800
04 Communication services	38,549	44,150	44,150
05 Rents and utility services	403	300	300
06 Printing and reproduction	593,210	639,565	754,535
07 Other contractual services	4,710	3,089	3,089
08 Supplies and materials	11,124	5,500	5,500
11 Grants, subsidies, and contributions		56,286	58,821
Total obligations	1,486,656	1,620,000	1,777,535

Increase of the Library of Congress

GENERAL INCREASE OF THE LIBRARY

General increase of the Library: For expenses (except personal services) necessary for acquisition of books, periodicals and newspapers, and all other material for the increase of the Library, $320,000, to continue available during the next succeeding fiscal year. (*2 U. S. C. 131, 132, 132a; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$320,000** Estimate 1959, **$320,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Purchase of books and other library materials (total obligations)	$304,765	$336,908	$320,000
Financing:			
Unobligated balance brought forward	−21,485	−16,908	
Recovery of prior year obligations	−188		
Unobligated balance carried forward	16,908		
Appropriation (new obligational authority)	300,000	320,000	320,000

This appropriation constitutes the only means of acquiring regular domestic trade publications (except for copyright deposits) and many foreign trade publications, both current and noncurrent, from approximately 100 countries or areas. The publications acquired by purchase constitute a most important part of the Library's acquisitions although they represent only a small portion of the material received annually. The objectives for 1959 are to continue at the present level the acquisition of selected important foreign newspapers and periodicals; the acquisition of important materials from critical areas; the direct purchase of selected current titles on microfilm as an economy measure in lieu of binding; and the microfilming of deteriorating materials as a necessary preservative measure.

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$14,143	$20,000	$20,000
03 Transportation of things	1,290	3,400	3,400
04 Communication services	10,412	9,400	9,400
07 Other contractual services	1,002	1,050	1,050
08 Supplies and materials		50	50
09 Equipment (books and other library materials)	277,918	303,008	286,100
Total obligations	304,765	336,908	320,000

INCREASE OF THE LAW LIBRARY

Increase of the law library: For expenses (except personal services) necessary for acquisition of books, legal periodicals, and all other material for the increase of the law library, $90,000, to continue available during the next succeeding fiscal year. (*2 U. S. C. 131, 132, 134, 135, 137, 138, 139, 144; Legislative Branch Appropriation Act, 1958.*)

Appropriated 1958, **$90,000** Estimate 1959, **$90,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Purchase of books and other library materials (total obligations)	$82,248	$102,733	$90,000
Financing:			
Unobligated balance brought forward	−4,946	−12,733	
Recovery of prior year obligations	−35		
Unobligated balance carried forward	12,733		
Appropriation (new obligational authority)	90,000	90,000	90,000

This appropriation constitutes the only means of acquiring law books published in the regular domestic trade (except for copyright deposits) and many foreign law books published in countries all over the world. The legal publications acquired by purchase constitute a most important part of the law library's acquisitions, although

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

INCREASE OF THE LIBRARY OF CONGRESS—Continued

INCREASE OF THE LAW LIBRARY—continued

a substantial part of the annual receipts is received by means other than purchase.

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel	$504	$2,500	$2,500
03	Transportation of things	136	350	350
04	Communication services	3,056	3,150	3,150
09	Equipment (books and other library materials)	78,552	96,733	84,000
	Total obligations	82,248	102,733	90,000

BOOKS FOR THE SUPREME COURT

Books for the Supreme Court: For the purchase of books and periodicals for the Supreme Court, to be a part of the Library of Congress, and purchased by the Librarian of the Supreme Court, under the direction of the Chief Justice, [$27,500] *$30,000. (2 U. S. C. 131, 132, 135, 137, 139; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$27,500** Estimate 1959, **$30,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Purchase of books and periodicals (total obligations)	$27,500	$27,500	$30,000
Financing:			
Appropriation (new obligational authority)	27,500	27,500	30,000

Books and periodicals are purchased for the library of the Supreme Court, which, though a part of the Library of Congress, is administered under the direction of the Chief Justice.

Object Classification

		1957 actual	1958 estimate	1959 estimate
09	Equipment (books and other library materials)	$27,500	$27,500	$30,000

BOOKS FOR THE BLIND

SALARIES AND EXPENSES

For salaries and other expenses necessary to carry out the provisions of the Act entitled "An Act to provide books for the blind", approved March 3, 1931 (2 U. S. C. 135a), as amended, [$1,125,000] *$1,355,000. (2 U. S. C. 131, 135a, 135a note, 135b, 136, 139, 140; 71 Stat. 630; Legislative Branch Appropriation Act, 1958.)*

Appropriated 1958, **$1,125,000** Estimate 1959, **$1,355,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Procurement and distribution	$975,269	$1,034,307	$1,263,543
2. Cataloging, reference, and training services	90,100	90,693	91,457
Total obligations	1,065,369	1,125,000	1,355,000
Financing:			
Unobligated balance no longer available	2,112		
Appropriation (new obligational authority)	1,067,481	1,125,000	1,355,000

The division for the blind is responsible for administering a national program to provide reading material for the blind of the United States, Territories, and insular possessions. It has two closely related operations.

1. *Procurement and distribution.*—It provides books in embossed characters, and talking books with their associated reproducers. The books are distributed through 28 regional libraries which assume responsibility for their custody and circulation. The reproducers are distributed through 55 State agencies. The maintenance and procurement of these books is shown in the following table:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Talking books purchased:			
(*a*) New titles	174	184	220
(*b*) Old titles rerecorded	22	10	10
Embossed books purchased: Titles	142	142	147
Talking book machines:			
Purchased	7,000	8,000	9,600
Repaired	1,571	3,600	3,600
Salvaged—scrapped	5,500	3,000	3,000
Records replaced	3,761	3,700	3,700

Objectives for 1959 include the procurement of more titles of books, of more copies of the popular titles, of a sufficient number of machines to equip newly registered blind readers and to replace scrapped machines, and continuation of the quality inspection program of books and machines and of research in sound reproduction and Braille printing.

2. *Cataloging, reference, and training services.*—Catalogs of talking and Braille books are prepared and maintained, including a Union Catalog of Hand Copied Books in Braille which brings together a record of holdings of all libraries. The Division also maintains a unique collection (about 25,000 volumes) of books in Braille not available elsewhere for loan in the United States. As one of the regional libraries, it services the blind (approximately 6,000 readers) of the District of Columbia and of Maryland, Virginia, North Carolina, and South Carolina. During the period 1946 to 1956 the number of readers throughout the country requiring catalogs from which to select reading matter has grown from 30,088 to 58,197 and circulation from 801,797 units (volumes or containers) to 1,451,090. During the period 1947–57, readers served by the Library of Congress regional library for the blind increased from 2,001 to 6,432, and the number of volumes circulated from 36,643 to 86,916. The number of readers and circulation are expected to continue to increase in 1958 and 1959. Inquiries are received concerning library and related services available to the blind. Individuals throughout the Nation who are interested in transcribing or proofreading Braille are trained and those qualified are certified.

Public Law 85–308, approved September 7, 1957, removed the $1,125,000 ceiling on the authorized appropriation.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	24	25	25
	Average number of all employees	23	25	25
	Number of employees at end of year	24	25	25
	Average GS grade and salary	4.8 $4,412	5.0 $4,467	5.0 $4,522
01	Personal services:			
	Permanent positions	$102,466	$111,687	$113,051
	Positions other than permanent		1,000	1,000
	Other personal services		430	430
	Total personal services	102,466	113,117	114,481
02	Travel	2,201	4,350	5,350
03	Transportation of things	25	100	100
04	Communication services	1,168	1,000	1,000
06	Printing and reproduction	8,776	12,600	12,600
07	Other contractual services	66,201	78,850	78,850
08	Supplies and materials	17,246	14,400	14,400
09	Equipment	867,286	893,295	1,120,931
11	Grants, subsidies, and contributions		7,288	7,288
	Total obligations	1,065,369	1,125,000	1,355,000

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ORGANIZING AND MICROFILMING THE PAPERS OF THE PRESIDENTS

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Act of August 16, 1957 (71 Stat. 368), $50,000, to remain available until expended. (2 U. S. C. 131–166; 71 Stat. 368.)

Estimate 1959, **$50,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Organizing, arranging, indexing, and microfilming (total obligations)			$50,000
Financing:			
Appropriation (new obligational authority)			50,000

Public Law 85–147, approved August 16, 1957, authorizes an appropriation of $720,000 to remain available until expended to arrange, index, and microfilm the papers of the Presidents of the United States in the collections of the Library of Congress to preserve their contents and to make them more readily available for research. It is proposed to start this program in 1959 on a plan which calls for completion of the entire program in about 8 years. The objectives for the first year will be the determination of the best plan for arranging and indexing the papers, to begin the preparation of an index, prepare a small segment of the papers for microfilming, and initiate the actual microfilming.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions			10
Average number of all employees			10
Number of employees at end of year			10
Average GS grade and salary			5.4 $4,005
01 Personal services:			
Permanent positions			$38,690
Positions other than permanent			500
Total personal services			39,190
02 Travel			500
04 Communication services			50
05 Rents and utility services			1,440
06 Printing and reproduction			1,000
07 Other contractual services			5,125
08 Supplies and materials			150
11 Grants, subsidies, and contributions			2,545
Total obligations			50,000

ADMINISTRATIVE PROVISIONS

Appropriations in this Act available to the Library of Congress for salaries shall be available for expenses of investigating the loyalty of Library employees; special and temporary services (including employees engaged by the day or hour or in piecework); and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

Not to exceed ten positions in the Library of Congress may be exempt from the provisions of appropriation Acts concerning the employment of aliens during the current fiscal year, but the Librarian shall not make any appointment to any such position until he has ascertained that he cannot secure for such appointments a person in any of the categories specified in such provisions who possesses the special qualifications for the particular position and also otherwise meets the general requirements for employment in the Library of Congress.

Appropriations in this Act available to the Library of Congress shall be available, in an amount not to exceed $11,000, when specifically authorized by the Librarian, for expenses of attendance at meetings concerned with the function or activity for which the appropriation is made. (*Legislative Branch Appropriation Act, 1958.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows:
"Research and development," Department of the Air Force.
"Research and development," Department of the Army.
"Research and development," Department of the Navy.
"Salaries and expenses," National Science Foundation.
"International educational exchange activities," Department of State.
"Oliver Wendell Holmes devise fund."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition of library materials	$38,420	$16,488	
2. Organization of collections:			
Department of Defense	277,591	337,706	$337,706
Other agencies	23,117	23,000	23,000
3. Reference services:			
Department of the Air Force	2,822,944	3,096,407	2,591,000
Other agencies	127,523	245,651	125,689
4. Legislative Reference Service:			
Congressional committees	94,302	82,500	82,500
Other agencies	3,263		
Total obligations	3,387,160	3,801,752	3,159,895
Financing:			
Unobligated balance brought forward	3,012	226,443	
Advances and reimbursements from other accounts	3,613,554	3,575,309	3,159,895
Recovery of prior year obligations	85		
Unobligated balance carried forward	−226,443		
Unobligated balance no longer available	−3,048		
Total financing	3,387,160	3,801,752	3,159,895

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	565	626	455
Full-time equivalent of all other positions	94	110	76
Average number of all employees	643	648	517
Number of employees at end of year	755	591	531
Average GS grade and salary	7.3 $5,146	7.6 $5,195	8.2 $5,561
01 Personal services:			
Permanent positions	$2,681,521	$2,793,877	$2,451,317
Positions other than permanent	427,815	443,518	281,955
Other personal services	100,493	86,077	59,658
Total personal services	3,209,829	3,323,472	2,792,930
02 Travel	10,339	14,410	10,950
03 Transportation of things	1,060	550	300
04 Communication services	20,415	16,829	11,050
05 Rents and utility services	5,238	4,000	2,400
06 Printing and reproduction	9,205	77,847	10,350
07 Other contractual services	62,022	97,618	104,523
08 Supplies and materials	47,745	48,705	39,670
09 Equipment	21,307	20,350	15,300
11 Grants, subsidies, and contributions		197,971	172,422
Total obligations	3,387,160	3,801,752	3,159,895

GOVERNMENT PRINTING OFFICE

Current authorizations:

PRINTING AND BINDING

For authorized printing and binding for the Congress; not to exceed $7,500 for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U. S. C. 182); printing, binding, and distribution of the Federal Register (including the Code of Federal Regulations), as authorized by law (44 U. S. C. 309, 311, 311a); and printing and binding of Government publications authorized by law to be distributed without charge to the recipients; [$10,000,000] *$10,700,000*: *Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture): *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years. (*Legislative Branch Appropriation Act, 1958.*)

Appropriation 1958, **$10,000,000** Estimate 1959, **$10,700,000**

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GOVERNMENT PRINTING OFFICE—Continued

Current authorizations—Continued

PRINTING AND BINDING—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Printing, binding, and distribution (total obligations)	$9,200,000	$10,000,000	$10,700,000
Financing:			
Appropriation (new obligational authority)	9,200,000	10,000,000	10,700,000

This appropriation covers authorized printing, binding and distribution of publications for the Congress, the Federal Register, and Government publications authorized by law to be distributed without charge to the recipients (67 Stat. 330).

Object Classification

	1957 actual	1958 estimate	1959 estimate
06 Printing and reproduction	$9,200,000	$10,000,000	$10,700,000

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Office of Superintendent of Documents, including [personal services in accordance with the Classification Act of 1949, as amended, and] compensation of *all* employees [who shall be subject to the provisions of] *in accordance with* the Act entitled "An Act to regulate and fix rates of pay for employees and officers of the Government Printing Office", approved June 7, 1924 (44 U. S. C. 40); traveling expenses (not to exceed $1,500); price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying books to depository libraries; [$3,175,000] *$3,295,190.* (*Legislative Branch Appropriation Act, 1958.*)

Appropriation 1958, **$3,175,000** Estimate 1959, **$3,295,190**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct costs:			
1. Sales distribution	$1,853,447	$1,963,561	$2,036,396
2. Distribution for other agencies and Members of Congress	382,397	411,109	428,777
3. Depository library distribution	534,298	563,795	584,708
4. Cataloging and indexing	216,204	236,535	245,309
Total direct costs	2,986,346	3,175,000	3,295,190
Reimbursable costs:			
2. Distribution for other agencies and Members of Congress	67,352	65,200	65,200
Total program costs	3,053,698	3,240,200	3,360,390
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−103		
Total program (obligations)	3,053,595	3,240,200	3,360,390
Financing:			
Advances and reimbursements from other accounts	−67,352	−65,200	−65,200
Unobligated balance no longer available	4,157		
Appropriation (new obligational authority)	2,990,400	3,175,000	3,295,190

The work programs of the Office of the Superintendent of Documents are of a service nature, and hence there is no control over the volume of work which is required by law.

1. *Sales distribution.*—Government publications are purchased from the Public Printer to be placed on sale. Acquisition costs are paid from sales receipts; hence no appropriation is required for printing sales copies. By law, the sale price is set at the cost of manufacture plus 50%. At the end of each year, excess receipts from sales not required for purchasing additional publications are turned into the Treasury Department as miscellaneous receipts. For 1957, earnings from the actual sale of publications amounted to $2,900,312. It is estimated that earnings for 1958 will be $3,100,000 and $3,300,000 for 1959. These earnings more than cover the appropriation required to finance the sales program.

A proportionate share of the overhead costs which accrue to the Government Printing Office revolving fund, amounting to approximately $500,000 annually, is not financed from appropriated funds but is recovered from the purchasers of Government publications. The number of sales orders has been steadily increasing, and in the last 10 years the volume of orders and the dollar value of publications sold has more than doubled. The current public interest in the Government's publishing program points to a continuing increase in the volume of orders.

2. *Distribution for other agencies and Members of Congress.*—The Superintendent of Documents maintains mailing lists, including the list for the Congressional Record, and performs mailing operations upon the request of any Government agency without reimbursement. Mailing services for farmers' bulletins, soil surveys, and other publications which are allocated to Members of Congress on a quota basis are also provided.

3. *Depository library distribution.*—Upon request, 1 copy of every Government publication is supplied to more than 570 libraries which are designated depositories for Government publications.

4. *Cataloging and indexing.*—This activity covers the preparation and distribution of catalogs and indexes of all publications issued by the Federal Government, the principal series being the Monthly Catalog of United States Government Publications and the Numerical List and Schedule of Volumes.

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1956, $3,847; 1957, $3,744; 1958, $3,744; 1959, $3,744.

SUMMARY OF WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Number of sales orders	2,458,463	2,650,000	2,800,000
Letters of inquiry	1,242,540	1,350,000	1,450,000
Amount of sales	$6,345,156	$6,600,000	$7,000,000
Number of publications sold	49,686,936	53,000,000	56,000,000
Publications distributed for other Government agencies	62,683,245	66,000,000	69,000,000
Number of publications distributed to depository libraries	4,719,894	5,200,000	5,500,000
Number of publications cataloged and indexed	36,613	40,000	43,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	480	490	501
Full-time equivalent of all other positions	37	36	36
Average number of all employees	506	521	531
Number of employees at end of year	480	489	500
Average GS grade and salary	4.5 $4,151	4.5 $4,204	4.5 $4,244
Average salary of ungraded positions	$3,174	$3,174	$3,174
Personal service obligations:			
Permanent positions	$1,808,777	$1,908,630	$1,959,920
Positions other than permanent	136,398	133,000	133,000
Other personal services	63,278	23,000	23,000
Total personal service obligations	2,008,453	2,064,630	2,115,920

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Direct obligations:			
01 Personal services	$1,944,570	$2,000,630	$2,051,920
02 Travel	557	1,500	1,500
03 Transporation of things	1,337	1,200	1,200
04 Communication services	57,996	56,000	56,000
05 Rents and utility services	6,658	11,000	11,000
06 Printing and reproduction	654,941	654,320	691,920
07 Other contractual services	77,549	82,000	82,000
08 Supplies and materials	222,347	222,770	252,770
09 Equipment	20,288	33,100	33,100
11 Grants, subsidies, and contributions		112,480	113,780
Total direct obligations	2,986,243	3,175,000	3,295,190
Reimbursable obligations:			
01 Personal services	63,883	64,000	64,000
04 Communication services	3,298	1,000	1,000
08 Supplies and materials	171	200	200
Total reimbursable obligations	67,352	65,200	65,200
Total obligations	3,053,595	3,240,200	3,360,390

Intragovernmental funds:

GOVERNMENT PRINTING OFFICE REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Printing and binding	$85,518,246	$84,642,307	$81,093,238
Adjustment of costs included above not requiring funding	115,447	100,000	100,000
Total operating costs	86,633,693	84,742,307	81,193,238
Depreciation included above (−)	−692,988	−759,000	−800,000
Total operating costs, funded	85,940,705	83,983,307	80,393,238
Capital outlay: Purchase of equipment	2,191,083	2,220,000	2,920,000
Total program costs, funded	88,131,788	86,203,307	83,313,238
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−3,097,922
Obligations incurred for costs of other years, net	1,176,462	1,539,576	
Total program (obligations)	89,308,250	87,742,883	80,215,316
Financing:			
Amounts becoming available:			
Revenues and receipts:			
Printing and binding operations	92,787,694	87,842,307	84,493,238
Proceeds from sales of equipment	397,821	300,000	300,000
Increase or decrease (−) in accepted orders on hand	2,604,869	−797,655	−100,000
Total amounts becoming available	95,790,384	87,344,652	84,693,238
Unobligated balance brought forward	12,382,407	14,260,750	10,761,495
Total amounts available	108,172,791	101,605,402	95,454,733
Capital transfer (payment of earnings to Treasury) (−)	−4,603,791	−3,101,024	−3,200,000
Unobligated balance carried forward	−14,260,750	−10,761,495	−12,039,417
Financing applied to program	89,308,250	87,742,883	80,215,316

The Government Printing Office executes orders for printing, binding, and blankbook work, placed by Congress and the various departments and independent establishments of the Federal Government and furnishes, on order, blank paper, inks, and similar supplies. Operations are subject to the authority of the Joint Committee on Printing (44 U. S. C.).

A separate appropriation, "Printing and binding," has been established to pay for authorized printing and binding for the Congress; printing, binding, and distribution of the Federal Register; and printing and binding of Government publications authorized by law to be distributed without charge to the recipients (67 Stat. 330).

All work for Government agencies other than the above is done on a reimbursable basis and financed through this fund. Receipts from sales of publications by the Superintendent of Documents are deposited to the revolving fund, and the cost of these publications is paid therefrom. All profits accruing from these transactions are deposited in the Treasury of the United States and credited to miscellaneous receipts (44 U. S. C. 63).

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Commodities for sale	$3,036,764	$3,271,704	$3,271,000	$3,271,000
Work in process	8,592,787	11,197,655	10,400,000	10,300,000
Supplies	6,628,120	6,938,515	6,559,515	6,300,515
Deferred charges	42,425	112,371	100,000	100,000
Unpaid undelivered orders	10,314,340	8,270,653	10,999,959	8,261,037
Total selected resources at end of year	28,614,436	29,790,898	31,330,474	28,232,552
Selected resources at start of year (−)	−28,614,436	−29,790,899	−31,330,474	
Costs financed from obligations of other years, net (−)				−3,097,922
Obligations incurred for costs of other years, net		1,176,462	1,539,576	

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$2,191,083	$2,220,000	$2,920,000
Expense:			
Materials applied	28,066,397	27,000,000	25,839,000
Other	57,874,307	56,983,307	54,554,238
Increase in selected working capital		1,043,834	
Total gross expenditures	88,131,787	87,247,141	83,313,238
Receipts from operations (funds provided):			
Revenue	92,787,694	87,842,307	84,493,238
Proceeds from sale of equipment	397,821	300,000	300,000
Decrease in selected working capital	1,500,112		159,000
Total receipts from operations	94,685,627	88,142,307	84,952,238
Budget expenditures	−6,553,840	−895,166	−1,639,000

Revenue, Expense, and Retained Earnings

Revenue	$92,787,694	$87,842,307	$84,493,238
Expense	86,633,693	84,742,307	81,193,238
Net operating income	6,154,001	3,100,000	3,300,000
Nonoperating income or loss (−):			
Proceeds from sale of equipment	397,821	300,000	300,000
Net book value of assets sold (−)	−282,374	−200,000	−200,000
Net gain from sale of equipment	115,447	100,000	100,000
Net income for the year	6,269,448	3,200,000	3,400,000
Analysis of retained earnings:			
Retained earnings, beginning of year	3,977,630	5,663,048	5,762,024
Prior year income adjustment	19,761		
Payment of earnings to Treasury (−):			
Sales of publications	−2,603,791	−3,101,024	−3,200,000
Printing and binding operations	−2,000,000		
Retained earnings, end of year	5,663,048	5,762,024	5,962,024

Financial Condition

Assets:			
Cash with Treasury and in banks	$13,667,312	$11,461,454	$9,900,454
Accounts receivable, net	7,561,531	9,400,000	9,400,000
Commodities for sale	3,271,704	3,271,000	3,271,000
Work in process	11,197,655	10,400,000	10,300,000
Supplies	6,938,515	6,559,515	6,300,515
Deferred charges	112,371	100,000	100,000
Equipment, net	8,231,438	9,492,438	11,412,438
Total assets	50,980,526	50,684,407	50,684,407
Liabilities:			
Current	9,895,095	9,500,000	9,300,000
Government investment:			
Non-interest-bearing capital:			
Start of year	35,433,888	35,422,383	35,422,383
Donated equipment	8,256		
Correction of opening capitalization	−19,761		
End of year	35,422,383	35,422,383	35,422,383
Retained earnings	5,663,048	5,762,024	5,962,024
Total Government investment	41,085,431	41,184,407	41,384,407

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GOVERNMENT PRINTING OFFICE—Continued

Intragovernmental funds—Continued

GOVERNMENT PRINTING OFFICE REVOLVING FUND—Continued

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$11,717,263	$13,667,312	$11,461,454	$9,900,454
Obligated balance, net: Current liabilities	10,373,473	9,895,095	9,500,000	9,300,000
Unpaid undelivered orders	10,314,340	8,270,653	10,999,959	8,261,037
Accounts receivable, net (—)	−12,760,170	−7,561,531	−9,400,000	−9,400,000
Accepted orders on hand (—) (est.)	−8,592,787	−11,197,655	−10,400,000	−10,300,000
Total obligated balance	−665,144	−593,438	699,959	−2,138,963
Unobligated balance	12,382,407	14,260,750	10,761,495	12,039,417

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	5,945	5,794	5,715
	Full-time equivalent of all other positions	2	1	1
	Average number of all employees	5,907	5,773	5,694
	Number of employees at end of year	5,808	5,765	5,710
	Average salary of ungraded positions	$4,892	$5,011	$5,001
01	Personal services: Permanent positions	$28,888,347	$28,923,572	$28,469,288
	Positions other than permanent	7,396	7,000	6,500
	Other personal services	4,252,315	3,317,235	3,016,550
	Excess of annual leave earned over leave taken	291,275	150,000	120,000
	Total personal services	33,439,333	32,397,807	31,612,338
02	Travel	11,884	10,000	9,400
03	Transportation of things	722,866	670,000	630,000
04	Communication services	60,613	56,000	52,500
05	Rents and utility services	623,238	575,000	540,500
06	Printing and reproduction	22,916,481	21,000,000	19,500,000
07	Other contractual services	224,719	200,000	188,000
08	Supplies and materials	27,853,074	25,900,000	24,860,000
09	Equipment	2,021,890	2,050,000	2,750,000
11	Grants, subsidies, and contributions		$1,840,000	$1,800,000
13	Refunds, awards, and indemnities	$1,295	1,500	1,500
	Total accrued expenditures	87,875,393	84,700,307	81,944,238

GENERAL PROVISIONS

SEC. 102. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles.

SEC. 103. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto: *Provided*, That the provisions herein for the various items of official expenses of Members, Officers, and Committees of the House, and Clerk Hire for Members shall be the permanent law with respect thereto: *Provided further*, That the provisions relating to positions and salaries thereof carried in H. Res. 533 of the Eighty-fourth Congress and H. Res. 28, 126, and 165 of the Eighty-fifth Congress shall be the permanent law with respect thereto: *Provided further*, That the provisions of H. Res. 144 of the Eighty-fifth Congress shall be the permanent law with respect thereto.

SEC. 104. No part of any appropriation contained in this Act shall be paid as compensation to any person appointed after June 30, 1935, as an officer or member of the Capitol Police who does not meet the standards to be prescribed for such appointees by the Capitol Police Board: *Provided*, That the Capitol Police Board is hereby authorized to detail police from the House Office, Senate Office, and Capitol Buildings for police duty on the Capitol Grounds.

[SEC. 105. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1957, unless otherwise provided, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1957, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof.] (*Legislative Branch Appropriation Act, 1958.*)

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THE JUDICIARY

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

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
General government:						
602 Judicial functions	$39,913	$43,720	$46,073	$38,813	$43,738	$45,628

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
SUPREME COURT OF THE UNITED STATES							
Current authorizations:							
Salaries	602	$1,181,600	$1,238,000	$1,249,000	$1,119,740	$1,236,459	$1,248,700
Printing and binding, Supreme Court reports	602	91,200	90,000	90,000	65,754	97,702	90,000
Miscellaneous expenses	602	55,150	62,500	74,500	56,184	61,142	75,500
Care of the building and grounds	602	201,500	218,200	317,000	359,357	295,819	315,000
Preparation of rules for civil procedure	602				7		
Automobile for the Chief Justice	602	5,835	5,835	5,835	5,290	5,810	5,800
Total, Supreme Court		1,535,285	1,614,535	1,736,335	1,606,332	1,696,932	1,735,000
COURT OF CUSTOMS AND PATENT APPEALS							
Current authorizations:							
Salaries and expenses	602	284,850	307,000	308,450	261,972	305,200	306,600
CUSTOMS COURT							
Current authorizations:							
Salaries and expenses	602	625,000	677,010	699,620	642,303	698,200	699,097
COURT OF CLAIMS							
Current authorizations:							
Salaries and expenses	602	727,400	810,855	812,655	724,500	803,400	810,200
Repairs and improvements	602	9,000	9,000	9,000	10,170	9,000	9,000
Total, Court of Claims		736,400	819,855	821,655	734,670	812,400	819,200
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES							
Current authorizations:							
Salaries of judges	602	8,706,000	8,800,000	9,358,500	8,591,908	9,061,500	9,015,000
Salaries of supporting personnel	602	16,175,500	18,473,200	19,291,000	15,965,923	18,220,000	19,000,000
Fees of jurors and commissioners	602	4,410,000	4,250,000	4,988,000	4,325,756	4,593,730	4,528,000
Travel and miscellaneous expenses	602	2,721,800	2,780,000	3,098,300	2,712,704	2,834,000	3,025,000
Administrative Office of the United States courts	602	753,500	840,450	1,101,000	704,202	831,800	1,095,000
Air conditioning courtrooms, offices, and other rooms	602	575,000			18,066	362,460	
Salaries of referees (indefinite special account)	602	1,475,692	1,709,000	2,034,700	1,367,218	1,747,100	1,964,000
Expenses of referees (indefinite special account)	602	1,913,801	2,274,700	2,635,800	1,881,493	2,330,000	2,512,000
Proposed for later transmission (under existing legislation):							
Salaries of judges	602		300,000				300,000
Fees of jurors and commissioners	602		675,000			245,000	430,000
Travel and miscellaneous expenses	602		59,000				59,000
Salaries of referees (indefinite special account)	602		65,000				65,000
Expenses of referees (indefinite special account)	602		75,000				75,000
Total, courts of appeals, district courts, and other judicial services		36,731,293	40,301,350	42,507,300	35,567,270	40,225,590	42,068,000
Total new obligational authority and budget expenditures		39,912,828	43,719,750	46,073,360	38,812,547	43,738,322	45,627,897
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$39,912,828	$42,545,750	$46,073,360	$38,812,547	$43,493,322	$44,698,897
Proposed for later transmission:							
Appropriations			1,174,000			245,000	929,000
Total new obligational authority and budget expenditures		39,912,828	43,719,750	46,073,360	38,812,547	43,738,322	45,627,897

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
SUPREME COURT OF THE UNITED STATES											
Current authorizations:											
Salaries		$57		$57		$59	$1,249	$1,191	$58		$58
Printing and binding, Supreme Court reports		35		48		40	90	50	40		40
Miscellaneous expenses		9		8		9	74	66	9		8
Care of the building and grounds		241		88		10	317	305	10		12
Automobile for the Chief Justice		1				1	6	5	1		1
Total, Supreme Court		342		200		119	1,736	1,617	118		119
COURT OF CUSTOMS AND PATENT APPEALS											
Current authorizations:											
Salaries and expenses		16		20		22	308	285	22		23
CUSTOMS COURT											
Current authorizations:											
Salaries and expenses		120		73		51	700	648	51		52
COURT OF CLAIMS											
Current authorizations:											
Salaries and expenses		42		38		45	813	765	45		48
Repairs and improvements		2					9	9			
Total, Court of Claims		44		38		45	822	774	45		48
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES											
Current authorizations:											
Salaries of judges		219		310		48	9,358	8,967	48		391
Salaries of supporting personnel		646		735		988	19,291	18,012	988		1,279
Fees of jurors and commissioners		345		344			4,988	4,528			460
Travel and miscellaneous expenses		326		295		241	3,098	2,784	241		314
Administrative Office of the United States courts		28		28		37	1,101	1,058	37		43
Air conditioning courtrooms, offices, and other rooms				362							
Salaries of referees (indefinite special account)		38		147		109	2,035	1,855	109		180
Expenses of referees (indefinite special account)		151		183		128	2,636	2,384	128		252
Proposed for later transmission (under existing legislation):											
Salaries of judges						300			300		
Fees of jurors and commissioners						430			430		
Travel and miscellaneous expenses						59			59		
Salaries of referees (indefinite special account)						65			65		
Expenses of referees (indefinite special account)						75			75		
Total, courts of appeals, district courts, and other judicial services		1,753		2,404		2,480	42,507	39,588	2,480		2,919
Total, the judiciary		2,275		2,734		2,716	46,073	42,912	2,716		3,161
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations		$2,275		$2,734		$1,787	$46,073	$42,912	$1,787		$3,161
Proposed for later transmission:											
Appropriations						929			929		
Total, the judiciary		2,275		2,734		2,716	46,073	42,912	2,716		3,161

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document: Appropriations	$2,275	$2,734	$1,787
Proposed for later transmission: Appropriations			929
Total balances brought forward	2,275	2,734	2,716
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	39,913	42,546	46,073
Proposed for later transmission: Appropriations		1,174	
Total new obligational authority	39,913	43,720	46,073
Other amounts available: Restored from certified claims account	6		
Total budget authorizations available	42,194	46,454	48,789
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	38,813	43,493	42,912
Out of balances of prior obligational authority			1,787
Total expenditures from obligational authority enacted or recommended	38,813	43,493	44,699
From obligational authority proposed for later transmission:			
Out of new obligational authority		245	
Out of balances of prior obligational authority			929
Total budget expenditures	38,813	43,738	45,628
Amounts no longer available:			
Unobligated balances expiring and lapsing	611		
Adjustment of balances downward in expired accounts, net	36		
Total amounts no longer available	647		
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document: Appropriations	2,734	1,787	3,161
Proposed for later transmission: Appropriations		929	
Total balances carried forward at close of year	2,734	2,716	3,161
Obligations incurred, net	$39,303	$43,720	$46,073

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SUPREME COURT OF THE UNITED STATES

Current authorizations:

SALARIES

[Salaries:] For the Chief Justice and eight Associate Justices, and all other officers and employees, whose compensation shall be fixed by the Court, except as otherwise provided by law, and who may be employed and assigned by the Chief Justice to any office or work of the Court [$1,238,000] *$1,249,000.* (*28 U. S. C. 1, 5, 671–675; Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$1,238,000** Estimate 1959, **$1,249,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries, Supreme Court (total obligations)	$1,119,599	$1,238,000	$1,249,000
Financing:			
Unobligated balance no longer available	62,001		
Appropriation (new obligational authority)	1,181,600	1,238,000	1,249,000

Object Classification

Total number of permanent positions	163	163	164
Full-time equivalent of all other positions	20	20	20
Average number of all employees	173	182	181
Number of employees at end of year	191	205	206
01 Personal services:			
Permanent positions	$1,056,026	$1,108,399	$1,119,399
Positions other than permanent	60,583	66,901	66,901
Other personal services		3,000	3,000
Total personal services	1,116,609	1,178,300	1,189,300
07 Other contractual services	2,990	3,300	3,300
11 Grants, subsidies, and contributions		56,400	56,400
Total obligations	1,119,599	1,238,000	1,249,000

PRINTING AND BINDING SUPREME COURT REPORTS

[Printing and binding Supreme Court reports:] For printing and binding the advance opinions, preliminary prints, and bound reports of the Court, $90,000. (*28 U. S. C. 411, 412, 673; Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$90,000** Estimate 1959, **$90,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Printing and binding Supreme Court reports (total obligations)	$83,354	$90,000	$90,000
Financing:			
Unobligated balance no longer available	7,846		
Appropriation (new obligational authority)	91,200	90,000	90,000

Obligations by Objects

06 Printing and reproduction	$83,354	$90,000	$90,000

MISCELLANEOUS EXPENSES

[Miscellaneous expenses:] For miscellaneous expenses to be expended as the Chief Justice may approve, [including $4,200 for purchase of one passenger motor vehicle for replacement only, $62,500] *$74,500.* (*Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$62,500** Estimate 1959, **$74,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous expenses, Supreme Court (total obligations)	$55,073	$62,500	$74,500
Financing:			
Unobligated balance no longer available	77		
Appropriation (new obligational authority)	55,150	62,500	74,500

Object Classification

02 Travel	$221	$500	$500
04 Communication services	11,560	11,000	11,000
Penalty mail	1,300	1,300	1,300
05 Rents and utility services	1,800	1,800	1,800
06 Printing and reproduction	15,920	18,750	14,150
07 Other contractual services	2,750	3,300	2,900
Services performed by other agencies	393	500	500
08 Supplies and materials	14,853	15,750	15,750
09 Equipment	6,276	9,600	26,600
Total obligations	55,073	62,500	74,500

CARE OF THE BUILDING AND GROUNDS

[Care of the building and grounds:] For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by the Act approved May 7, 1934 (40 U. S. C. 13a–13b), including improvements, maintenance, repairs, equipment, supplies, materials, and appurtenances; special clothing for workmen; and personal and other services (including temporary labor without reference to the Classification and Retirement Acts, as amended), and for snow removal by hire of men and equipment or under contract without compliance with section 3709 of the Revised Statutes, as amended (41 U. S. C. 5); [$218,200] *$317,000.* (*Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$218,200** Estimate 1959, **$317,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Structural and mechanical care of Supreme Court Building and grounds, including supplying of mechanical furnishings and equipment (total obligations)	$198,028	$218,200	$317,000
Financing:			
Unobligated balance no longer available	3,472		
Appropriation (new obligational authority)	201,500	218,200	317,000

Object Classification

Total number of permanent positions	33	33	33
Average number of all employees	33	32	33
Number of employees at end of year	33	33	33
01 Personal services:			
Permanent positions	$142,247	$150,800	$160,800
Other personal services	34,982	38,000	42,000
Total personal services	177,229	188,800	202,800
07 Other contractual services:			
General annual repairs and improvements	4,991	9,000	42,000
Annual painting	2,158	2,000	2,000
Snow removal		150	150
Payment to employees' life insurance fund	476	500	700
Maintenance, air-conditioning system	605	1,000	10,000
Repairs and improvements to spaces vacated by administrative office, United States courts			42,000
08 Supplies and materials	7,769	6,000	6,000
09 Equipment:			
Annual		750	750
Purchase and replacement of kitchen equipment	4,800		
11 Grants, subsidies, and contributions		10,000	10,000
Total obligations	198,028	218,200	317,000

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SUPREME COURT OF THE UNITED STATES—Con.

Current authorizations—Continued

AUTOMOBILE FOR THE CHIEF JUSTICE

[Automobile for the Chief Justice:] For purchase, exchange, lease, driving, maintenance, and operation of an automobile for the Chief Justice of the United States, $5,835. (*Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$5,835** Estimate 1959, **$5,835**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Automobile for the Chief Justice (total obligations)	$5,057	$5,835	$5,835
Financing:			
Unobligated balance no longer available	778		
Appropriation (new obligational authority)	5,835	5,835	5,835

Object Classification

Total number of permanent positions	1	1	1
Average number of all employees	1	1	1
Number of employees at end of year	1	1	1
01 Personal services: Permanent position	$4,028	$4,044	$4,044
05 Rents and utility services	500	500	500
07 Other contractual services	25	16	328
08 Supplies and materials	504	1,012	700
11 Grants, subsidies, and contributions		263	263
Total obligation	5,057	5,835	5,835

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Communication services (total obligations)	$7,124	$6,200	$7,000
Financing:			
Advances and reimbursements from other accounts	7,124	6,200	7,000

Object Classification

04 Communication services	$7,124	$6,200	$7,000

COURT OF CUSTOMS AND PATENT APPEALS

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For salaries of the chief judge, four associate judges, and all other officers and employees of the court, and necessary expenses of the court, including exchange of books, and traveling expenses, as may be approved by the chief judge, [$307,000] *$308,450.* (*5 U. S. C. 836–842; 28 U. S. C. 211–213, 831–834; 31 U. S. C. 588; Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$307,000** Estimate 1959, **$308,450**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries and expenses (total obligations)	$267,870	$307,000	$308,450
Financing:			
Unobligated balance no longer available	16,980		
Appropriation (new obligational authority)	284,850	307,000	308,450

This item is not subject to the approval of the Judicial Conference.

The Court of Customs and Patent Appeals has exclusive jurisdiction in appeals from judgments of the Customs Court in all cases involving the construction of law and facts respecting classification of merchandise and rate of duty imposed thereunder, and all appealable questions as to laws and regulations governing the collection of customs revenues. Its decisions are final unless taken to the Supreme Court on writs of certiorari.

The court also has exclusive jurisdiction of appeals from the Tariff Commission on questions of law only, in the matter of unfair practices in import trade, and appellate jurisdiction from decisions of the Patent Office in patent and trademark cases, except those involving equity.

	Customs cases		*Patent and trademark cases*	
	1956	*1957*	*1956*	*1957*
Pending, beginning of year	21	23	91	84
Docketed during year	31	40	63	82
Disposed of during year	29	43	70	74
Pending, close of year	23	20	84	92

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	26	26	26
Average number of all employees	25	26	26
Number of employees at end of year	25	26	26
01 Personal services:			
Permanent positions	$249,997	$263,535	$264,985
Positions other than permanent		9,495	9,495
Other personal services		520	520
Total personal services	249,997	273,550	275,000
02 Travel	266	300	300
03 Transportation of things	5	50	50
04 Communication services	1,378	1,500	1,500
Penalty mail	300	500	500
06 Printing and reproduction	10,497	12,000	12,000
07 Other contractual services	1,319	1,000	1,000
08 Supplies and materials	881	1,000	1,000
09 Equipment	3,227	3,800	3,800
11 Grants, subsidies, and contributions		13,300	13,300
Total obligations	267,870	307,000	308,450

CUSTOMS COURT

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For salaries of the chief judge[,] *and* eight judges[, and all other]*; salaries of the* officers and employees of the court[,] *as determined by the court;* and necessary expenses of the court, including exchange of books, and traveling expenses, as may be approved by the chief judge[, $677,010]*; $699,620*: *Provided,* That traveling expenses of judges of the Customs Court shall be paid upon the written certificate of the judge. (*5 U. S. C. 836–842; 28 U. S. C. 251–255, 456, 871, 872, 961, 962; 31 U. S. C. 588; Judiciary Appropriation Act, 1958.*)

Appropriated 1958, **$677,010** Estimate 1959, **$699,620**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries and expenses (total obligations)	$595,913	$677,010	$699,620
Financing:			
Unobligated balance no longer available	29,087		
Appropriation (new obligational authority)	625,000	677,010	699,620

This item is not subject to the approval of the Judicial Conference.

The Customs Court has exclusive jurisdiction in civil actions brought under regular tariff laws, internal revenue laws relating to imported merchandise, customs simplification acts, and provisions set forth in various reciprocal trade agreements. In these cases the court interprets the

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law and facts respecting classification of merchandise and rate of duty to be imposed thereon. It also has both original and appellate jurisdiction in cases involving questions as to value of imported merchandise.

CASELOAD

	Pending, beginning of year	*Received*	*Terminated*	*Pending, end of year*
Classification cases:				
1956 actual	119,285	32,184	19,902	131,567
1957 actual	131,567	24,670	19,931	136,306
Reappraisement cases:				
1956 actual	80,050	18,585	13,627	85,008
1957 actual	85,008	16,067	25,221	75,854
Applications for review:				
1956 actual	23	47	62	8
1957 actual	8	288	23	273
Petitions for remission of additional duties:				
1956 actual	74	24	51	47
1957 actual	47	8	34	21
Remands of protests:				
1956 actual	191	75	131	135
1957 actual	135	64	132	67

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	78	81	81
Full-time equivalent of all other positions	1	2	2
Average number of all employees	74	81	81
Number of employees at end of year	80	83	83
01 Personal services:			
Permanent positions	$552,599	$588,685	$611,295
Positions other than permanent	4,352	6,000	6,000
Other personal services		1,500	1,500
Total personal services	556,951	596,185	618,795
02 Travel	12,921	17,000	17,000
03 Transportation of things	1,390	2,000	2,000
04 Communication services	7,370	7,500	7,500
Penalty mail	980	1,000	1,000
06 Printing and reproduction	1,693	4,200	4,200
07 Other contractual services	1,956	4,300	4,300
08 Supplies and materials	3,710	4,000	4,000
09 Equipment	8,775	9,000	9,000
11 Grants, subsidies, and contributions		31,725	31,725
15 Taxes and assessments	167	100	100
Total obligations	595,913	677,010	699,620

COURT OF CLAIMS

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For salaries of the chief judge, four associate judges, and all other officers and employees of the Court, and for other necessary expenses, including stenographic and other fees and charges necessary in the taking of testimony, and travel, [$810,855] *$812,655. (5 U. S. C. 836–842, 28 U. S. C. 171, 456, 791–795, 962; 31 U. S. C. 588, 41 U. S. C. 114; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$810,855** Estimate 1959, **$812,655**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries and expenses (total obligations)	$721,555	$810,855	$812,655
Financing:			
Unobligated balance no longer available	5,845		
Appropriation (new obligational authority)	727,400	810,855	812,655

The United States Court of Claims has jurisdiction of all cases involving claims against the United States (except in pension suits) instituted upon constitutional grounds or under Federal law or regulations, all claims arising out of any contract with the Federal Government and its agencies, and claims for the refund of taxes. It also has general jurisdiction to hear and determine claims for damages other than tort actions, provided the claimants would have the right to sue in law or equity, if the United States were not immune to such suits. It has jurisdiction in suits against the United States by contractors dissatisfied with the findings and decisions of contracting agencies under terminated war contracts, and jurisdiction concurrent with that of the courts of appeals to review district court decisions in cases involving tort actions. It has authority to review the decisions of the Indian Claims Commission on appeal from that Commission. It is also given jurisdiction in special act cases referred to the court by either House of Congress.

The court continues to carry a heavy load of cases, but it has been able to dispose of the cases which are ready to be heard as expeditiously as the Department of Justice can process them. No material change in program is planned for 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	78	78	78
Average number of all employees	72	78	78
Number of employees at end of year	73	78	78
01 Personal services:			
Permanent positions	$630,344	$670,055	$674,355
Other personal services		2,100	2,100
Total personal services	630,344	672,155	676,455
02 Travel	10,252	18,500	16,000
04 Communication services	2,425	2,500	2,500
Penalty mail	663	800	800
05 Rents and utility services	3,665	3,600	3,600
06 Printing and reproduction	59,889	60,700	60,700
07 Other contractual services	2,247	3,300	3,300
08 Supplies and materials	5,704	6,200	6,200
09 Equipment	6,366	5,000	5,000
11 Grants, subsidies, and contributions		38,100	38,100
Total obligations	721,555	810,855	812,655

Repairs and Improvements

[Repairs and improvements:] For necessary repairs and improvements to the Court of Claims buildings, to be expended under the supervision of the Architect of the Capitol, $9,000. *(31 Stat. 1135; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$9,000** Estimate 1959, **$9,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Structural and mechanical maintenance (total obligations)	$8,662	$9,000	$9,000
Financing:			
Unobligated balance no longer available	338		
Appropriation (new obligational authority)	9,000	9,000	9,000

This appropriation provides for structural repairs and improvements to the Court of Claims buildings, including the repairs and maintenance of the mechanical equipment. The work is performed under the supervision of the Architect of the Capitol.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services:			
General annual repairs	$4,097	$5,000	$5,000
Annual painting	4,565	4,000	4,000
Total obligations	8,662	9,000	9,000

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

Current authorizations:

SALARIES OF JUDGES

[Salaries of judges:] For salaries of circuit judges; district judges (including judges of the district courts of Alaska, the Virgin Islands, the Panama Canal Zone, and Guam); justices and judges of the Supreme Court and circuit courts of the Territory of Hawaii; justices and judges retired or resigned under title 28, United States Code, sections 371, 372, and 373; and annuities of widows of Justices of the Supreme Court of the United States in accordance with title 28, United States Code, section 375; [$8,800,000] *$9,358,500. (28 U. S. C. 44, 133, 135; 48 U. S. C. 632, 634a, 1344, 1348, 1353; 70 Stat. 123, 1026; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$8,800,000** Estimate 1959, **$9,358,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries (total obligations)	$8,682,725	$8,800,000	$9,358,500
Financing:			
Unobligated balance no longer available	23,275		
New obligational authority	8,706,000	8,800,000	9,358,500
New obligational authority:			
Appropriation	$8,406,000	$8,800,000	$9,358,500
Transferred from "Salaries of supporting personnel" (71 Stat. 166)	300,000		
Appropriation (adjusted)	8,706,000	8,800,000	$9,358,500

The statutory salaries of all active United States circuit and district judges, the justices and judges of the Supreme Court and circuit courts of Hawaii, and all justices and judges who have retired or resigned in pursuance of law are payable from this appropriation. Provision also is included under this item for the payment of annuities to the seven living widows of Supreme Court justices pursuant to 68 Stat. 918 and a matching contribution by the Government to the judicial survivors annuity fund equal to the amounts required to be made by the participating judges (28 U. S. C. 376).

Salaries were paid to an average of 384 judges in 1957. The appropriation for 1958 will provide for the salaries of 380 although on July 1, 1957, there were actually 385 judges on the rolls and the number is expected to increase during the year to about 396. It is estimated that it will be necessary to provide for the salaries of 403 judges in 1959 due to the upward trend in the number of retired judges in evidence recently. A supplemental appropriation for 1958 is proposed for later transmission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions:			
Active judges	330	329	330
Retired and resigned judges	63	58	80
Average number of judges	384	380	403
Number of judges at end of year:			
Active judges	316	323	324
Retired and resigned judges	69	58	80
01 Personal services: Permanent positions	$8,634,474	$8,536,500	$9,083,500
07 Other contractual services	13,251	13,500	13,500
11 Grants, subsidies, and contributions		215,000	226,500
12 Pensions, annuities, and insurance claims	35,000	35,000	35,000
Total obligations	8,682,725	8,800,000	9,358,500

SALARIES OF SUPPORTING PERSONNEL

[Salaries of supporting personnel:] For salaries of all officials and employees of the Federal Judiciary, not otherwise specifically provided for, [$18,473,200] *$19,291,000*: *Provided*, That the compensation of secretaries and law clerks of circuit and district judges shall be fixed by the Director of the Administrative Office without regard to the Classification Act of 1949, as amended, except that the salary of a secretary shall conform with that of the General Schedule grades (GS) 5, 6, 7, 8, 9, or 10, as the appointing judge shall determine, and the salary of a law clerk shall conform with that of the General Schedule grades (GS) [5,] 7, *8*, 9, *10*, 11, or 12, as the appointing judge shall determine, subject to review by the [judicial conference] *Judicial Conference* if requested by the Director, such determination by the judge otherwise to be final: *Provided further*, That (exclusive of step increases corresponding with those provided for by title VII of the Classification Act of 1949, as amended, and of compensation paid for temporary assistance needed because of an emergency) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed $13,485 per annum, except in the case of the chief judge of each circuit and the chief judge of each district court having five or more district judges, in which case the aggregate salaries shall not exceed $18,010 per annum. *(5 U. S. C. 2254; 18 U. S. C. 3654, 3656; 28 U. S. C. 604 (a) (5), 634, 711 (a) (b), 712, 713 (a), 751 (a) (b), 752, 753, 755; 48 U. S. C. 102, 104, 106, 107, 863, 870, 1344, 1349, 1405y; 11 D. C. C. 312; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$18,473,200** Estimate 1959, **$19,291,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations: Salaries	$16,058,292	$18,473,200	$19,291,000
Reimbursable obligations: Salaries	7,159	7,000	7,000
Total obligations	16,065,451	18,480,200	19,298,000
Financing:			
Advances and reimbursements from other accounts	−7,159	−7,000	−7,000
Unobligated balance no longer available	117,208		
New obligational authority	16,175,500	18,473,200	19,291,000
New obligational authority:			
Appropriation	$16,475,500	$18,473,200	$19,291,000
Transferred to "Salaries of judges" (71 Stat. 166)	−300,000		
Appropriation (adjusted)	16,175,500	18,473,200	19,291,000

The primary and appellate jurisdictions of the courts of the United States are vested in the 94 district courts and 11 courts of appeals. Provision for the salaries of the administrative and legal aides required to assist the judges in the conduct of hearings, trials, and other judicial functions and to man the component offices of the courts including the Federal Probation System is made under this heading.

CASELOAD

	Pending, beginning of year	*Received*	*Terminated*	*Pending, end of year*
Courts of appeals:				
1956 actual	2,175	3,588	3,734	2,029
1957 actual	2,029	3,701	3,687	2,043
District courts:				
Civil—1956 actual	68,832	62,394	67,700	63,526
1957 actual	63,526	[1] 62,380	63,568	62,338
Criminal—1956 actual	8,778	28,739	30,213	7,304
1957 actual	7,304	28,120	27,929	7,495
		1956 actual		*1957 actual*
Passport applications filed		188,379		171,737
Probation system:				
Persons under supervision, end of year		31,385		33,137
Presentence investigations, during year		22,365		23,168

[1] The number of civil cases filed, excluding the District of Columbia, increased from 54,362 in 1956 to 56,279 in 1957. The reduction in the total number of cases received is due to a statute effective Sept. 17, 1956, requiring divorce and domestic relations cases in the District of Columbia to be filed in the municipal court instead of in the district court.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3,233	3,254	3,355
Full-time equivalent of all other positions	57	51	51
Average number of all employees	3,159	3,260	3,351
Number of employees at end of year	3,239	3,330	3,431
Personal service obligations:			
Permanent positions	$15,764,796	$17,002,555	$17,767,155
Positions other than permanent	196,821	183,700	183,700
Other personal services	53,056	123,045	123,045
Total personal service obligations	16,014,673	17,309,300	18,073,900
Direct obligations:			
01 Personal services	16,007,514	17,302,300	18,066,900
07 Other contractual services	48,140	55,000	55,000
11 Grants, subsidies, and contributions		1,113,500	1,166,700
15 Taxes and assessments	2,638	2,400	2,400
Total direct obligations	16,058,292	18,473,200	19,291,000
Reimbursable obligations:			
01 Personal services	7,159	7,000	7,000
Total obligations	16,065,451	18,480,200	19,298,000

Fees of Jurors and Commissioners

[Fees of jurors and commissioners:] For fees, expenses, and costs of jurors (including meals and lodging for jurors in Alaska, as provided by section 193, title II, of the Act of June 6, 1900, 31 Stat. 362); compensation of jury commissioners; and fees of United States commissioners and other committing magistrates acting under title 18, United States Code, section 3041: [$4,250,000] *$4,988,000. (11 U. S. C. 203 (b); 28 U. S. C. 631, 633, 636, 1865, 1871; 48 U. S. C. 25, 867; 70 Stat. 745; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$4,250,000** Estimate 1959, **$4,988,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Fees, expenses, and costs (total obligations)	$4,343,434	$4,250,000	$4,988,000
Financing:			
Unobligated balance no longer available	66,566		
Appropriation (new obligational authority)	4,410,000	4,250,000	4,988,000

Grand and petit jurors who serve in the Federal courts are paid statutory fees and expenses, as are jury commissioners. United States commissioners are primarily committing magistrates and are paid fees for their services.

The amount of service and the compensation of jurors depends mainly on the number of jury trials requested by the parties to civil and criminal cases in the United States courts. The earnings of commissioners are directly related to the volume of cases presented by Federal law enforcement officials.

The call for juries is expected to increase moderately as the general activities of the courts continue to be heavy and efforts to reduce backlogs are intensified.

Under recently enacted legislation increasing the fees for services of jurors and commissioners payments to them are expected to increase substantially. A supplemental appropriation for 1958 is proposed for later transmission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services: Fees, United States commissioners	$604,638	$600,000	$750,000
07 Other contractual services: Fees:			
Jury commissioners	8,367	8,500	8,500
Grand jurors	600,812	540,000	718,000
Petit jurors	3,120,517	3,091,500	3,489,000
11 Grants, subsidies, and contributions			12,500
15 Taxes and assessments	9,100	10,000	10,000
Total obligations	4,343,434	4,250,000	4,988,000

Travel and Miscellaneous Expenses

[Travel and miscellaneous expenses:] For necessary travel and miscellaneous expenses, not otherwise provided for, incurred by the Judiciary, including the purchase of firearms and ammunition, the cost of contract statistical services for the office of Register of Wills of the District of Columbia and not to exceed $1,000 for the payment of fees to attorneys appointed in accordance with the Act of June 8, 1938 (52 Stat. 625), not exceeding $25, in any one case, [$2,780,000] *$3,098,300: Provided*, That this sum shall be available in an amount not to exceed [$12,000] *$17,500* for expenses of attendance at meetings concerned with the work of Federal Probation when incurred on the written authorization of the Director of the Administrative Office of the United States Courts. *(5 U. S. C. 55a, 73b (2–3), 835–842; 18 U. S. C. 726; 28 U. S. C. 456, 604, 604a, 639, 961, 962, 1915b; 48 U. S. C. 102, 114, 863, 1405y; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$2,780,000** Estimate 1959, **$3,098,300**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Travel and miscellaneous expenses (total obligations)	$2,690,720	$2,780,000	$3,098,300
Financing:			
Advances and reimbursements from other accounts	−3,097		
Unobligated balance no longer available	34,177		
Appropriation (new obligational authority)	2,721,800	2,780,000	3,098,300

Under the statutes and administrative regulations promulgated thereunder the expenses of travel and subsistence incurred by the judges, officials, and supporting personnel of the courts in attending sessions of court or transacting other official business are paid from this appropriation. Provision is also made for the cost of supplying, equipping and maintaining their offices and libraries, and for the incidental expenses of operating the 11 courts of appeals and 94 district courts of the United States.

The prospective increase in the number of retired judges rendering judicial service, the proposed expansion of the probation system and clerks' offices to cope with rising caseloads, and the general increase in the cost of services and facilities for the courts require a substantially larger appropriation in 1959 than for 1958 for the impersonal expenses of operating the courts. A supplemental appropriation for 1958 is proposed for later transmission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$1,176,884	$1,325,700	$1,373,100
03 Transportation of things	25,891	28,400	31,100
04 Communication services	302,168	315,000	346,400
Penalty mail	90,000	92,000	94,000
05 Rents and utility services	6,540	6,600	6,600
06 Printing and reproduction	162,369	159,300	172,800
07 Other contractual services:			
Transcripts ordered by court	44,412	45,000	45,000
Attorneys' fees, Commission on Mental Health, District of Columbia	1,000	1,000	1,000
Miscellaneous	32,182	54,500	42,000
08 Supplies and materials	188,019	161,500	190,900
09 Equipment:			
General office	167,541	83,000	160,600
Furniture	88,796	117,000	150,700
Lawbooks, accessions	85,831	64,000	103,000
Lawbooks, continuations	319,087	327,000	381,100
Total obligations	2,690,720	2,780,000	3,098,300

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Current authorizations—Continued

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

[Administrative Office of the United States Courts:] For necessary expenses of the Administrative Office of the United States Courts, including travel, advertising, and rent in the District of Columbia and elsewhere, [$840,450] *$1,101,000. (28 U. S. C. 601–606; 70 Stat. 738, 739, 747; Judiciary Appropriation Act, 1958.)*

Appropriated 1958, **$840,450** Estimate 1959, [a] **$1,101,000**

[a] Includes $75,000 for activities previously carried under "Salaries and expenses, general administration," Department of Justice.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activity:			
Direct obligations: Salaries and expenses	$704,747	$840,450	$1,101,000
Reimbursable obligations: Salaries and expenses	3,670		
Total obligations	708,417	840,450	1,101,000
Financing:			
Advances and reimbursements from other accounts	−3,670		
Unobligated balance no longer available	48,753		
Appropriation (new obligational authority)	753,500	840,450	1,101,000

This office is responsible, under the supervision and direction of the Judicial Conference of the United States, for providing for the administration of the United States courts. The principal functions are providing administrative staff and services for the courts; examining the state of the dockets of the various courts and compiling and publishing statistical information concerning the business transacted by the courts; the administration of the probation and bankruptcy systems; and the general business affairs of the courts.

The estimates for 1959 provide for an expansion of the program concerned with statistical studies and the examination and survey of court dockets and for transferring from the Department of Justice the function of examining judicial offices. It is planned to develop new procedures and means to relieve the serious congestion existing in a number of courts; propose changes to lighten the constantly mounting caseload of the Federal courts generally; cope with the rapidly rising number of bankruptcy cases; and to meet the heavier administrative and fiscal work incident to the growing judicial establishment.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	133	135	161
Full-time equivalent of all other positions	1	1	1
Average number of all employees	117	132	158
Number of employees at end of year	125	134	159
Personal service obligations:			
Permanent positions	$598,086	$682,250	$840,665
Positions other than permanent	2,812	3,000	3,000
Other personal services	7,927	2,550	3,000
Total personal service obligations	608,825	687,800	846,665
Direct obligations:			
01 Personal services	605,155	687,800	846,665
02 Travel	17,134	13,200	44,000
04 Communication services	8,443	8,100	10,180
Penalty mail	5,850	6,000	6,000
05 Rents and utility services	17,669	53,900	88,100
06 Printing and reproduction	10,707	10,600	11,100
07 Other contractual services	4,624	4,000	7,145
08 Supplies and materials	8,148	7,550	8,610
09 Equipment	26,917	6,200	25,350
11 Grants, subsidies, and contributions		43,000	53,750
15 Taxes and assessments	100	100	100
Total direct obligations	704,747	840,450	1,101,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Reimbursable obligations:			
01 Personal services	$3,670		
Total obligations	708,417	$840,450	$1,101,000

AIR CONDITIONING COURTROOMS, OFFICES, AND OTHER ROOMS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activity:			
Air conditioning court space (total obligations)	$380,526		
Financing:			
Unobligated balance no longer available	194,474		
Appropriation (new obligational authority)	575,000		

Object Classification

ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
07 Other contractual services	$380,526		

SALARIES OF REFEREES

(Indefinite special account)

[Salaries of referees:] For salaries of referees as authorized by the Act of June 28, 1946, as amended (11 U. S. C. 68), not to exceed [$1,699,000] *$2,034,700*, to be derived from the referees' salary fund established in pursuance of said Act. *(Judiciary Appropriation Act, 1958.)*

Appropriated 1958, [a] **$1,709,000** Estimate 1959, **$2,034,700**

[a] Includes $10,000 appropriated in Supplemental Appropriation Act, 1958.

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance at beginning of year	$3,335,991	$3,773,732	$4,253,032
Receipts (fees for services)	1,905,942	2,188,300	2,427,500
Unobligated balance returned from appropriation account	7,491		
Total available for appropriation	5,249,424	5,962,032	6,680,532
Deduct appropriation	1,475,692	1,709,000	2,034,700
Unappropriated balance at end of year	3,773,732	4,253,032	4,645,832

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries of referees (total obligations)	$1,475,692	$1,709,000	$2,034,700
Financing:			
Appropriation (new obligational authority)	1,475,692	1,709,000	2,034,700

The district courts of the United States are constituted courts of bankruptcy and invested with original jurisdiction at law and in equity in proceedings brought under the bankruptcy statutes. This jurisdiction primarily is exercised through referees appointed by the several district courts. Their compensation and expenses are paid from special funds created by payments of fees and charges by parties to the proceedings. The present system is self-sustaining and no general tax dollars are involved in its operation.

A marked and steady rise in the number of new cases filed with the referees has occurred in recent years. The number of cases filed in 1957 was 73,761, 11,675 more than

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in 1956. It is estimated on the basis of current trends that new cases filed in 1958 and 1959 will total 85,000 and 95,000, respectively. Provision for more referees and additional service by the present referees will be necessary to cope with the rising caseloads forecast for the current and ensuing fiscal years. As a result, a supplemental appropriation for 1958 is proposed for later transmission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Number of permanent positions:			
Full-time	85	88	114
Part-time	88	75	60
Total	173	163	174
Average number of all employees	125	125	144
Number of employees at end of year	162	163	174
01 Personal services:			
Permanent positions	$1,079,403	$1,213,250	$1,587,875
Positions other than permanent	393,211	388,880	316,725
Total personal services	1,472,614	1,602.130	1,904,600
07 Other contractual services	3,011	4,170	6,300
11 Grants, subsidies, and contributions		102,700	123,800
15 Taxes and assessments	67		
Total obligations	1,475,692	1,709,000	2,034,700

Expenses of Referees

(Indefinite special account)

[Expenses of referees:] For miscellaneous expenses of referees, United States courts, including the salaries of their clerical assistants, travel, purchase of envelopes without regard to the Act of June 26, 1906 (34 Stat. 476), not to exceed [$2,199,700] *$2,635,800*, to be derived from the referees' expense fund established in pursuance of the Act of June 28, 1946, as amended (11 U. S. C. 68 (c) (4)). *(11 U. S. C. 102 (a) (2); Judiciary Appropriation Act, 1958.)*

Appropriated 1958,[a] **$2,274,700** Estimate 1959, **$2,635,800**

[a] Includes $75,000 appropriated in Supplemental Appropriation Act, 1958.

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance at beginning of year	$1,849,118	$1,976,506	$2,283,106
Receipts (fees for services)	2,031,065	2,581,300	2,897,500
Unobligated balance returned from appropriation account	10,124		
Total amount available for appropriation	3,890,307	4,557,806	5,180,606
Deduct appropriation	1,913,801	2,274,700	2,635,800
Unappropriated balance at end of year	1,976,506	2,283,106	2,544,806

Program and Financing

Program by activities:			
Miscellaneous expenses (total obligations)	$1,913,801	$2,274,700	$2,635,800
Financing:			
Appropriation (new obligational authority)	1,913,801	2,274,700	2,635,800

Office and other expenses of referees, including compensation of clerical employees, are payable upon authorization of the director of the administrative office of the United States courts. Workload data appear under the account for salaries of referees. In order to process the anticipated increase in volume of cases it is necessary to expand the referees' staffs and their facilities in 1959. A supplemental appropriation for 1958 is proposed for later transmission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	386	392	462
Full-time equivalent of all other positions	41	58	58
Average number of all employees	392	444	506
Number of employees at end of year	452	470	539
01 Personal services:			
Permanent positions	$1,316,418	$1,480,000	$1,747,900
Positions other than permanent	136,586	189,000	199,000
Other personal services	1,341	7,400	8,300
Total personal services	1,454,345	1,676,400	1,955,200
02 Travel	58,677	60,000	72,600
03 Transportation of things	5,436	7,000	8,000
04 Communication services	41,162	43,000	53,000
Penalty mail	122,932	143,000	125,000
05 Rents and utility services	55,204	58,000	68,000
06 Printing and reproduction	22,632	23,000	26,000
07 Other contractual services	14,821	17,000	22,000
08 Supplies and materials	61,868	62,500	70,000
09 Equipment	75,882	81,500	112,700
11 Grants, subsidies, and contributions		101,300	121,300
15 Taxes and assessments	842	2,000	2,000
Total obligations	1,913,801	2,274,700	2,635,800

Proposed for later transmission:

SALARIES OF JUDGES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries (total obligations)		$300,000	
Financing:			
Proposed supplemental appropriation		300,000	

Under existing legislation, 1958.—A supplemental appropriation of $300,000 is anticipated to provide for the salaries of the increased number of Federal judges now on the payroll. The number of retired and resigned judges went up in 1957 to 63 from 54 the year before and to 71 on September 30, 1957. The payroll for all judges on that date totaled 391 although the appropriation available provides for only 380. The overall number is expected to go even higher to an average of 396 for the year or 16 above the number provided for currently.

FEES OF JURORS AND COMMISSIONERS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Fees, expenses, and costs (total obligations)		$675,000	
Financing:			
Proposed supplemental appropriation		675,000	

Under existing legislation, 1958.—A supplemental appropriation for 1958 is anticipated to cover increased costs for jurors and commissioners as follows: (1) $150,000 for jury fees and costs due to increased use of juries in 1958 beyond currently available funds; (2) $400,000 to meet increased fees payable under Public Law 85–299 which became effective September 7, 1957; and (3) $125,000 to meet increased fees payable to United States commissioners pursuant to Public Law 85–276, effective as of September 2, 1957.

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Proposed for later transmission—Continued

TRAVEL AND MISCELLANEOUS EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous expenses (total obligations)		$59,000	
Financing:			
Proposed supplemental appropriation		59,000	

Under existing legislation, 1958.—A supplemental appropriation of $59,000 is anticipated to cover mounting costs, estimated at $14,000, for printing records in cases appealed to the Supreme Court by poor persons who are unable to bear such costs, and the increase of almost 17% over last year in the cost of lawbook-upkeep services amounting to $45,000.

SALARIES OF REFEREES

(Indefinite special account)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Salaries (total obligations)		$65,000	
Financing:			
Proposed supplemental appropriation		65,000	

Under existing legislation, 1958.—The continuing increase in the number of bankruptcy cases being filed is expected to make it necessary to submit a request for supplemental funds for additional services of referees in 1958 of $65,000.

EXPENSES OF REFEREES

(Indefinite special account)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous expenses (total obligations)		$75,000	
Financing:			
Proposed supplemental appropriation		75,000	

Under existing legislation, 1958.—A supplemental appropriation of $75,000 is anticipated for expenses of referees, including salaries of clerical employees, in order to process the larger number of bankruptcy cases currently being filed.

GENERAL PROVISIONS—THE JUDICIARY

SEC. 302. Sixty per centum of the expenditures for the District Court of the United States for the District of Columbia from all appropriations under this title and 30 per centum of the expenditures for the United States Court of Appeals for the District of Columbia from all appropriations under this title shall be reimbursed to the United States from any funds in the Treasury to the credit of the District of Columbia.

SEC. 303. The reports of the United States Court of Appeals for the District of Columbia shall not be sold for a price exceeding that approved by the court and for not more than $6.50 per volume. (*Judiciary Appropriation Act, 1958.*)

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EXECUTIVE OFFICE OF THE PRESIDENT

The new obligational authority recommended for 1959 for compensation of the President and for staff assistance in the White House offices and in the several agencies of the Executive Office is approximately the same as the 1958 amount with two exceptions: (1) an increase of $206,000 to enable the Office of Defense Mobilization to discharge more effectively its responsibilities of coordinating emergency planning by all Federal agencies, and (2) an increase of $125,000 for special projects.

About 36% of the recommended 1959 budget for the Executive Office is for the Bureau of the Budget, which is the staff arm of the President responsible for working on governmentwide problems such as organization, accounting, statistics, and legislative reference, as well as for preparation and review of the budget. The White House staff and various special projects account for 30%, and the Office of Defense Mobilization for 20%.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
General government:						
603 Executive direction and management	$10,715	$11,521	$11,875	$10,399	$11,526	$11,763

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
COMPENSATION OF THE PRESIDENT							
Current authorizations:							
Compensation of the President	603	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
THE WHITE HOUSE OFFICE							
Current authorizations:							
Salaries and expenses	603	1,875,000	2,051,970	2,051,970	1,875,555	2,025,000	2,033,000
SPECIAL PROJECTS							
Current authorizations:							
Special projects	603	1,500,000	1,375,000	1,500,000	1,344,403	1,375,000	1,450,000
EXECUTIVE MANSION AND GROUNDS							
Current authorizations:							
Executive Mansion and Grounds	603	383,775	400,400	415,400	389,937	395,000	410,000
Addition to Executive Mansion	603				33,100	56,057	
Total, Executive Mansion and Grounds		383,775	400,400	415,400	423,037	451,057	410,000
BUREAU OF THE BUDGET							
Current authorizations:							
Salaries and expenses	603	3,935,000	4,205,000	4,205,000	3,852,625	4,190,000	4,190,000
COUNCIL OF ECONOMIC ADVISERS							
Current authorizations:							
Salaries and expenses	603	365,700	375,000	375,000	339,514	374,000	375,000
NATIONAL SECURITY COUNCIL							
Current authorizations:							
Salaries and expenses	603	248,000	700,000	700,000	252,020	672,430	700,000
OFFICE OF DEFENSE MOBILIZATION							
Current authorizations:							
Salaries and expenses	603	2,200,000	2,214,000	2,420,000	2,112,222	2,237,000	2,395,000
Defense rental areas division	603				1,047	1,933	2,000
Total, Office of Defense Mobilization		2,200,000	2,214,000	2,420,000	2,113,269	2,238,933	2,397,000
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION							
Current authorizations:							
Salaries and expenses	603	57,500	50,000	57,500	34,763	49,000	58,000
PRESIDENT'S COMMISSION ON VETERANS' PENSIONS							
Current authorizations:							
Salaries and expenses	603				13,676	380	
Total new obligational authority and budget expenditures		10,714,975	11,521,370	11,874,870	10,398,862	11,525,800	11,763,000
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$10,714,975	$11,521,370	$11,874,870	$10,398,862	$11,525,800	$11,763,000

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
COMPENSATION OF THE PRESIDENT											
Current authorizations:											
Compensation of the President							$150	$150			
THE WHITE HOUSE OFFICE											
Current authorizations:											
Salaries and expenses		$131		$102		$129	2,052	1,920	$113		$148
SPECIAL PROJECTS											
Current authorizations:											
Special projects		126		145		145	1,500	1,310	140		195
EXECUTIVE MANSION AND GROUNDS											
Current authorizations:											
Executive Mansion and Grounds		18		11		16	415	394	16		21
Addition to Executive Mansion	$89	89	$50	56							
Total, Executive Mansion and Grounds	89	107	50	67		16	415	394	16		21
BUREAU OF THE BUDGET											
Current authorizations:											
Salaries and expenses		192		195		210	4,205	3,981	209		225
COUNCIL OF ECONOMIC ADVISERS											
Current authorizations:											
Salaries and expenses		15		14		15	375	360	15		15
NATIONAL SECURITY COUNCIL											
Current authorizations:											
Salaries and expenses		18		14		42	700	658	42		42
OFFICE OF DEFENSE MOBILIZATION											
Current authorizations:											
Salaries and expenses		137		149		126	2,420	2,275	120		151
Defense rental areas division				4		2			2		
Total, Office of Defense Mobilization		137		153		128	2,420	2,275	122		151
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION											
Current authorizations:											
Salaries and expenses		2		2		3	58	55	3		3
PRESIDENT'S COMMISSION ON VETERANS' PENSIONS											
Current authorizations:											
Salaries and expenses		15									
Total, Executive Office of the President	89	743	50	692		688	11,875	11,103	660		800
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$89	$743	$50	$692		$688	$11,875	$11,103	$660		$800

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Appropriations	$743	$692	$688
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	10,715	11,521	11,875
Other amounts available:			
Restored from certified claims account	6		
Adjustment of balances upward in expired accounts, net	5		
Total other amounts available	11		
Total budget authorizations available	11,469	12,213	12,563
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	10,399	11,526	11,103
Out of balances of prior obligational authority			660
Total budget expenditures	10,399	11,526	11,763
Amounts no longer available:			
Unobligated balances expiring and lapsing	369		
Adjustment of balances downward in expired accounts, net	9		
Total amounts no longer available	378		
Balances carried forward at close of year from authorizations enacted or recommended in this document: Appropriations	692	688	800
Obligations incurred, net	$10,385	$11,571	$11,875

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COMPENSATION OF THE PRESIDENT

Current authorizations:

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by the Act of January 19, 1949 (3 U. S. C. 102), $150,000. (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$150,000** Estimate 1959, **$150,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Compensation of the President (total obligations)	$150,000	$150,000	$150,000
Financing:			
Appropriation (new obligational authority)	150,000	150,000	150,000

Object Classification

01 Personal services	$150,000	$150,000	$150,000

THE WHITE HOUSE OFFICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for The White House Office, including not to exceed $215,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at such per diem rates for individuals as the President may specify, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; expenses of attendance at meetings; newspapers, periodicals, teletype news service, and travel and official entertainment expenses of the President, to be accounted for solely on his certificate; $2,051,970. (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$2,051,970** Estimate 1959, **$2,051,970**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$1,846,946	$2,051,970	$2,051,970
Financing:			
Unobligated balance no longer available	28,054		
Appropriation (new obligational authority)	1,875,000	2,051,970	2,051,970

These funds provide the President with staff assistance and provide administrative services for The White House Office.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	268	272	272
Full-time equivalent of all other positions	3	3	4
Average number of all employees	271	272	272
Number of employees at end of year	273	272	272
Average GS grade and salary	6.9 $5,167	6.8 $5,259	6.8 $5,259
01 Personal services:			
Permanent positions	$1,534,710	$1,615,735	$1,615,735
Positions other than permanent	60,668	70,000	75,000
Other personal services	76,880	92,400	92,400
Total personal services	1,672,258	1,778,135	1,783,135
02 Traveling expenses of the President	29,062	40,000	40,000
Other travel	8,763	25,000	25,000
04 Communication services	51,061	50,000	50,000
05 Rents and utility services	2,533	4,000	4,000
06 Printing and reproduction	35,448	30,000	30,000
07 Other contractual services	5,127	5,386	5,000
Services performed by other agencies	1,614	1,614	2,000
08 Supplies and materials	31,899	30,000	30,000
09 Equipment	9,181	15,000	10,000
11 Grants, subsidies, and contributions		66,835	66,835
15 Taxes and assessments		6,000	6,000
Total obligations	1,846,946	2,051,970	2,051,970

SPECIAL PROJECTS

Current authorizations:

SPECIAL PROJECTS

For expenses necessary to provide staff assistance for the President in connection with special projects, to be expended in his discretion and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify, [$1,375,000] *$1,500,000*: *Provided*, That not to exceed 10 per centum of this appropriation may be used to reimburse the appropriation for "Salaries and expenses", The White House Office, for administrative services. (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$1,375,000** Estimate 1959, **$1,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$1,358,386	$1,375,000	$1,500,000
Financing:			
Unobligated balance no longer available	141,614		
Appropriation (new obligational authority)	1,500,000	1,375,000	1,500,000

This fund is used by the President for staff assistance on special problems which arise from time to time but cannot be considered the responsibility of an existing agency. Examples of the type of assistance provided during the current year are projects on the coordination of the Nation's scientific effort, disarmament, and coordination of public works planning.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	113	117	140
Number of employees at end of year	113	117	145
01 Personal services: Positions other than permanent	$851,224	$894,850	$1,067,860
02 Travel	118,491	111,250	96,650
04 Communication services	17,504	18,300	14,500
06 Printing and reproduction	13,768	9,825	10,200
07 Other contractual services	180,874	130,750	76,040
Services performed by other agencies	100,000	100,000	150,000
08 Supplies and materials	34,080	36,180	27,680
09 Equipment	39,760	29,450	18,500
11 Grants, subsidies, and contributions		39,120	32,800
15 Taxes and assessments	2,685	5,275	5,770
Total obligations	1,358,386	1,375,000	1,500,000

EXECUTIVE MANSION AND GROUNDS

Current authorizations:

EXECUTIVE MANSION AND GROUNDS

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Mansion and the Executive Mansion grounds and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of this or any other Act, [$400,400] *$415,400*. (*3 U. S. C. 109–110; D. C. Code 8–108 (1951 edition); General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$400,400** Estimate 1959, **$415,400**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Care, maintenance, and operation of the Executive Mansion and the surrounding grounds (total obligations)	$383,775	$400,400	$415,400
Financing:			
Appropriation (new obligational authority)	383,775	400,400	415,400

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EXECUTIVE MANSION AND GROUNDS—Continued

Current authorizations—Continued

EXECUTIVE MANSION AND GROUNDS—Continued

These funds provide for the care, maintenance, and operation of the Executive Mansion and the surrounding grounds.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	72	72	72
	Full-time equivalent of all other positions	3	7	7
	Average number of all employees	70	76	76
	Number of employees at end of year	72	72	72
	Average salary of ungraded positions	$3,794	$3,867	$4,037
01	Personal services:			
	Permanent positions	$254,016	$265,616	$280,616
	Positions other than permanent	11,368	24,945	24,945
	Other personal services	25,451	8,395	8,395
	Total personal services	290,835	298,956	313,956
03	Transportation of things	23		
04	Communication services	4	145	145
05	Rents and utility services	34,412	30,890	30,890
06	Printing and reproduction	40	125	125
07	Other contractual services	15,386	14,100	14,100
08	Supplies and materials	42,218	34,575	34,575
09	Equipment	650	4,984	4,984
11	Grants, subsidies, and contributions		16,625	16,625
15	Taxes and assessments	207		
	Total obligations	383,775	400,400	415,400

ADDITION TO EXECUTIVE MANSION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Additions and improvements (total obligations)	$39,600	$49,557	
Financing:			
Unobligated balance brought forward	−89,157	−49,557	
Unobligated balance carried forward	49,557		
Appropriation (new obligational authority)			

This account has been used for improvements to the grounds of the White House and for unusual repairs in the Executive Mansion.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services	$6,500		
07	Other contractual services	4,753	$5,857	
08	Supplies and materials	8,191	40,000	
09	Equipment	428	500	
10	Lands and structures	19,728	3,200	
	Total obligations	39,600	49,557	

BUREAU OF THE BUDGET

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Bureau of the Budget, including newspapers and periodicals (not exceeding $400); teletype news service (not exceeding $900); not to exceed $110,000 for expenses of travel; expenses of attendance at meetings concerned with the purposes of this appropriation; and not to exceed $20,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; $4,205,000. *(31 U. S. C. 1–24, 665, 847–849, 852; 5 U. S. C. 46e, 133t, 139–139f, 835–842, 1151, 2133; 39 U. S. C. 902 (g); 40 U. S. C. 356 (e); 44 U. S. C. 220; General Government Matters Appropriation Act, 1958.)*

Appropriated 1958, **$4,205,000** Estimate 1959, **$4,205,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Office of accounting	$191,165	$236,500	$237,000
2. Office of budget review	410,685	448,600	449,300
3. Office of legislative reference	170,275	183,300	183,700
4. Office of management and organization	321,467	389,800	390,600
5. Office of statistical standards	346,090	364,000	364,800
6. Program divisions:			
(a) Commerce and finance	372,169	400,400	401,300
(b) International	283,373	302,700	303,400
(c) Labor and welfare	377,466	405,700	406,600
(d) Military	424,424	459,400	460,400
(e) Resources and civil works	423,907	447,300	448,300
7. Executive direction and administration	537,659	567,300	559,600
Total obligations	3,858,680	4,205,000	4,205,000
Financing:			
Unobligated balance no longer available	76,320		
Appropriation (new obligational authority)	3,935,000	4,205,000	4,205,000

The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities.

1. *Office of accounting.*—Direction is given to programs for improving accounting and financial management in the executive agencies, in collaboration with the General Accounting Office and the Treasury Department.

2. *Office of budget review.*—Budget instructions and procedures are developed, review of agency estimates is coordinated, and the budget document is prepared.

3. *Office of legislative reference.*—Proposed legislation and agency reports on pending legislation, enrolled bills, and proposed Executive orders and proclamations are reviewed for the President.

4. *Office of management and organization.*—Programs and plans are developed for improved Government organization and procedures, and guidance is provided in the work of the Bureau to improve agency management and operations.

5. *Office of statistical standards.*—Proposed agency reporting plans and forms are reviewed, and the Government's statistical activities, coverage, and methods are coordinated and improved.

6. *Program divisions.*—Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and agencies are assisted in the improvement of their administration. Responsibility for this work with respect to particular agencies is divided among five divisions: (*a*) commerce and finance, (*b*) international, (*c*) labor and welfare, (*d*) military, and (*e*) resources and civil works.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	456	453	452
	Full-time equivalent of all other positions	3	5	5
	Average number of all employees	432	442	441
	Number of employees at end of year	440	440	440
	Average GS grade and salary	10.5 $7,926	10.5 $7,965	10.5 $8,014
01	Personal services:			
	Permanent positions	$3,452,901	$3,519,700	$3,511,800
	Positions other than permanent	25,861	40,000	40,000
	Other personal services	8,897	22,300	22,200
	Total personal services	3,487,659	3,582,000	3,574,000
02	Travel	86,210	110,000	110,000
03	Transportation of things	206	2,000	2,000
04	Communication services	56,323	56,000	56,000
06	Printing and reproduction	127,687	139,000	139,000
07	Other contractual services	18,074	18,000	18,000
	Services performed by other agencies	26,025	26,000	26,000
08	Supplies and materials	29,272	28,000	28,000
09	Equipment	26,382	22,000	22,000
11	Grants, subsidies, and contributions		221,000	229,000

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$104		
15 Taxes and assessments	738	$1,000	$1,000
Total obligations	3,858,680	4,205,000	4,205,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Office of accounting	$350	$200	$200
2. Office of budget review	2,228	900	900
3. Office of legislative reference		200	200
4. Office of management and organization	2,621		
5. International division		2,100	2,100
6. Executive direction and administration	8,600	8,600	8,600
Total obligations	13,799	12,000	12,000
Financing:			
Advances and reimbursements from—			
Other accounts	13,449	11,600	12,000
Non-Federal sources (58 Stat. 845)	350	400	
Total financing	13,799	12,000	12,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2	2	2
Average number of all employees	2	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	10.0 $7,775	10.0 $7,775	10.0 $7,775
01 Personal services: Permanent positions	$13,799	$12,000	$12,000

COUNCIL OF ECONOMIC ADVISERS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U. S. C. 1021), including newspapers and periodicals (not exceeding $400); not exceeding $15,000 for expenses of travel; expenses of attendance at meetings concerned with the purposes of this appropriation; and press clippings (not exceeding $300); $375,000. (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$375,000** Estimate 1959, **$375,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Economic analysis (total obligations)	$337,690	$375,000	$375,000
Financing:			
Unobligated balance no longer available	28,010		
Appropriation (new obligational authority)	365,700	375,000	375,000

The Council of Economic Advisers analyzes the national economy and its various segments; advises the President on economic developments; recommends policies for economic growth and stability; appraises economic programs and policies of the Federal Government; and assists in preparation of the annual Economic Report of the President to Congress.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	31	31	31
Full-time equivalent of all other positions	2	2	2
Average number of all employees	30	32	32
Number of employees at end of year	31	31	31
Average GS grade and salary	6.3 $4,729	6.4 $4,804	6.4 $4,894
Average salary of ungraded positions	$11,658	$12,256	$12,256
01 Personal services:			
Permanent positions	$268,845	$281,500	$281,500
Positions other than permanent	18,913	20,000	20,000
Other personal services	7,506	8,000	8,000
Total personal services	295,264	309,500	309,500
02 Travel	5,439	12,000	12,000
03 Transportation of things	1		
04 Communication services	5,283	5,000	5,000
06 Printing and reproduction	9,214	14,000	14,000
07 Other contractual services	1,310	1,500	1,500
Services performed by other agencies	12,885	14,000	14,000
08 Supplies and materials	2,253	2,200	2,200
09 Equipment	4,622	1,500	1,500
11 Grants, subsidies, and contributions		14,300	14,300
15 Taxes and assessments	1,419	1,000	1,000
Total obligations	337,690	375,000	375,000

NATIONAL SECURITY COUNCIL

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the National Security Council, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals; acceptance and utilization of voluntary and uncompensated services; and expenses of attendance at meetings concerned with work related to the activity of the Council; $700,000. (*50 U. S. C. 402; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$700,000** Estimate 1959, **$700,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Policy coordination	$248,000	$260,000	$260,000
2. Operations coordination		440,000	440,000
Total obligations	248,000	700,000	700,000
Financing:			
Appropriation (new obligational authority)	248,000	700,000	700,000

1. *Policy coordination.*—The National Security Council advises the President regarding national security policies. Also, the Central Intelligence Agency is under the direction of the Council. Members of the Council are the President, the Vice President, the Secretary of State, the Secretary of Defense, the Director of the Office of Defense Mobilization, and, as directed by the President, other high officials. Staff services for the Council's policy coordination activities are financed from this appropriation.

2. *Operations coordination.*—The Operations Coordinating Board was established in 1953 to advise, when directed by the President, with the responsible executive agencies to assist in coordinating implementation of national security policies approved by him on the Council's recommendation. The Board is composed of the Under Secretary of State, the Deputy Secretary of Defense, the Director of Central Intelligence, the Director of the United States Information Agency, one or more representatives of the President, and, as necessary, officials of other agencies. In 1957 and prior years, staff services for the Board's operations coordination activities were financed

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NATIONAL SECURITY COUNCIL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

from member agencies' appropriations. Since July 1, 1957, when the Board was established within the structure of the Council by Executive Order 10700, such services have been financed from this appropriation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	28	77	77
Full-time equivalent of all other positions		1	1
Average number of all employees	27	74	74
Number of employees at end of year	26	77	77
Average GS grade and salary	9.9 $7,439	10.2 $7,703	10.2 $7,779
01 Personal services:			
Permanent positions	$211,860	$585,715	$590,934
Positions other than permanent		3,000	1,000
Other personal services	6,635	7,331	7,353
Total personal services	218,495	596,046	599,287
02 Travel	411	3,500	3,500
04 Communication services	4,017	13,000	10,000
06 Printing and reproduction	642	1,200	1,000
07 Other contractual services	836	3,614	3,634
Services performed by other agencies	19,588	35,800	33,850
08 Supplies and materials	2,538	6,800	6,800
09 Equipment	1,473	2,200	2,200
11 Grants, subsidies, and contributions		37,840	39,729
Total obligations	248,000	700,000	700,000

OFFICE OF DEFENSE MOBILIZATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of Defense Mobilization, including newspapers and periodicals (not exceeding $500); hire of passenger motor vehicles; reimbursement of the General Services Administration for security guard service; and expenses of attendance at meetings concerned with the purposes of this appropriation; [$2,214,000] *$2,420,000*, of which [$182,000] *$185,000* shall be available for the Interdepartmental Radio Advisory Committee: *Provided*, That contracts for not to exceed eight persons under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be renewed annually. (*60 Stat. 810; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$2,214,000** Estimate 1959, **$2,420,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Direction of defense mobilization program	$1,992,128	$2,032,000	$2,235,000
2. Interdepartmental Radio Advisory Committee	136,295	182,000	185,000
Total obligations	2,128,423	2,214,000	2,420,000
Financing:			
Unobligated balance no longer available	71,577		
Appropriation (new obligational authority)	2,200,000	2,214,000	2,420,000

1. *Direction of defense mobilization program.*—The Office coordinates all mobilization activities of the executive branch of the Government, including production, procurement, manpower, health, stabilization, transportation, protection of facilities important to the national defense, telecommunications, and control of electromagnetic radiation. The Director advises the President concerning policies and programs respecting the coordination of military, industrial, and civilian mobilization, and whenever he has reason to believe that imports threaten to impair the national security. The Director is responsible for policies and programs for the acquisition and storage of materials for the national stockpile. In 1959, the agency will begin financing the full-time staffs (consisting of 2 people each) of the Regional Mobilization Committees in 8 cities to provide for better coordination of the emergency planning by Federal agencies.

2. *Interdepartmental Radio Advisory Committee.*—The Committee assists the Director in the allocation of radio frequencies to Government stations and the coordination of governmentwide telecommunications policies.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	251	238	254
Full-time equivalent of all other positions	5	5	6
Average number of all employees	234	223	244
Number of employees at end of year	244	240	254
Average GS grade and salary	9.6 $7,616	9.7 $7,807	9.7 $7,711
01 Personal services:			
Permanent positions	$1,745,230	$1,714,909	$1,848,400
Positions other than permanent	74,242	72,620	78,750
Other personal services	48,553	41,265	35,800
Total personal services	1,868,025	1,828,794	1,962,950
02 Travel	91,391	89,580	114,165
03 Transportation of things	284	1,000	950
04 Communication services	44,740	44,000	44,000
05 Rents and utility services	2,524	12,490	20,950
06 Printing and reproduction	28,622	31,050	27,500
Photographing	529	1,000	1,000
07 Other contractual services	10,806	11,900	11,800
Services performed by other agencies	56,634	57,160	82,000
08 Supplies and materials	13,657	17,900	23,600
09 Equipment	9,086	8,200	7,900
11 Grants, subsidies, and contributions		107,326	120,285
13 Refunds, awards, and indemnities	225	1,000	500
15 Taxes and assessments	1,900	2,600	2,400
Total obligations	2,128,423	2,214,000	2,420,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Military construction, Army."
"Emergency fund for the President, national defense."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Health resources advisory committee: Consultant services to Selective Service System	$12,791	$13,000	$13,000
2. Science advisory committee: Miscellaneous services		15,000	
3. Miscellaneous services to other accounts	176		
Total bligations	12,967	28,000	13,000
Financing:			
Advances reimbursements from other accounts	12,967	28,000	13,000

Object Classification

Full-time equivalent of all other positions	1	2	1
Average number of all employees	1	1	1
Number of employees at end of year	1	1	1
01 Personal services: Positions other than permanent	$7,209	$17,280	$5,600
02 Travel	5,757	10,420	7,400
04 Communication services	1	25	
08 Supplies and materials		50	
15 Taxes and assessments		225	
Total obligations	12,967	28,000	13,000

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PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION

Current authorizations:

Salaries and Expenses

For necessary expenses of the President's Advisory Committee on Government Organization, established by Executive Order 10432 of January 24, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; expenses of attendance at meetings concerned with the purposes of the Committee; and actual transportation expenses and an allowance of not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business, for members of the Committee and other persons serving without compensation; [$50,000] *$57,500. (General Government Matters Appropriation Act, 1958.)*

Appropriated 1958, **$50,000** Estimate 1959, **$57,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Staff services, administration, and research (total obligations)	$34,948	$50,000	$57,500
Financing			
Unobligated balance no longer available	22,552		
Appropriation (new obligational authority)	57,500	50,000	57,500

The President's Advisory Committee on Government Organization advises the President, the Assistant to the President, and the Director of the Bureau of the Budget on major organizational problems and the development of proposed corrective actions by means of reorganization plans, Executive orders, and other administrative actions.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions		1	1
Average number of all employees	4	5	6
Number of employees at end of year	6	5	5
Average GS grade and salary	11.6 $8,660	11.6 $8,734	11.6 $8,865
01 Personal services:			
Permanent positions	$29,619	$37,845	$44,325
Positions other than permanent	100	2,000	3,000
Other personal services	163	465	300
Total personal services	29,882	40,310	47,625
02 Travel	1,269	2,500	2,500
04 Communication services	614	1,000	1,000
07 Other contractual services: Services performed by other agencies	2,000	2,000	2,000
08 Supplies and materials	808	1,000	1,000
09 Equipment	374	250	400
11 Grants, subsidies, and contributions		2,840	2,875
15 Taxes and assessments	1	100	100
Total obligations	34,948	50,000	57,500

GENERAL PROVISIONS

Departments, Agencies, and Corporations

Sec. 201. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year, in accordance with section 16 of the Act of August 2, 1946 (5 U. S. C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $1,500 except station wagons for which the maximum shall be $1,950: *Provided, That such amounts may be exceeded by the net extra cost, not to exceed $300, of any special features or equipment which, while affecting the operation of the vehicle as a passenger carrying vehicle, are required to render it suitable and safe for the carrying out of criminal law enforcement or police type activities by the Departments of the Treasury, Interior, and Justice, upon certification by the head of the agency concerned, with respect to each purchase requisition that such special features or equipment are essential for the proper performance of such activities.*

Sec. 202. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided,* That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further,* That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than $4,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further,* That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

Sec. 203. Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for living quarters allowances in accordance with the Act of June 26, 1930 (5 U. S. C. 118a), and regulations prescribed thereunder, and cost-of-living allowances similar to those allowed under section 901 (2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries: *Provided,* That the availability of appropriations made to the Department of State for carrying out the provisions of the Foreign Service Act of 1946 shall not be affected hereby.

Sec. 204. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

Sec. 205. No part of any appropriation contained in this or any other Act for the current fiscal year shall be used to pay in excess of $4 per volume for the current and future volumes of the United States Code Annotated, and such volumes shall be purchased on condition and with the understanding that latest published cumulative annual pocket parts issued prior to the date of purchase shall be furnished free of charge, or in excess of $4.25 per volume for the current or future volumes of the Lifetime Federal Digest.

Sec. 206. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to the Government Corporation Control Act, as amended (31 U. S. C. 841), shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided,* That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

Sec. 207. No part of any funds of or available to any wholly owned Government corporation shall be used for the purchase or construction, or in making loans for the purchase or construction of any office building, without specific authority in law therefor, primarily for occupancy by any department or agency of the United States Government or by any corporation owned by the United States Government.

Sec. 208. During the current fiscal year, the provisions of Bureau of the Budget Circular A–45, dated June 3, 1952, shall be controlling over the activities of all departments, agencies, and corporations of the Government: *Provided,* That said circular may be amended or changed during such year by the Director of the Budget with the approval of the chairman of the Committee on Appropriations of the House of Representatives: *Provided further,* That the Bureau of

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GENERAL PROVISIONS—Continued

DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued

the Budget shall make a report to Congress not later than January 31, [1958] *1959*, of the operations of this order upon all departments, agencies, and corporations of the Government: *Provided further*, That, notwithstanding the provisions of any other law, no officer or employee shall be required to occupy any Government-owned quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

SEC. 209. Pursuant to section 1415 of the Act of July 15, 1952 ([66 Stat. 662] *31 U. S. C. 724*), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits) and for liquidation of obligations legally incurred against such credits prior to July 1, 1953, only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further*, That nothing in section 1415 of the Act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of one year, in any case where such contracts, agreements, or executive agreements for periods in excess of one year were permitted prior to the enactment of this Act under section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

[SEC. 210. Hereafter, any appropriation required to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, may be apportioned on a basis indicating the need for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such pay increases as may be granted those employees (commonly known as wage-board employees) whose compensation is fixed and adjusted from time to time in accordance with prevailing rates (5 U. S. C. 1082 (7)).] (*General Government Matters Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

EXECUTIVE OFFICE OF THE PRESIDENT

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BUREAU OF THE BUDGET								
Salaries and expenses							$2,200	For transportation of officials and staff of the Bureau of the Budget to departmental offices in Washington.
COUNCIL OF ECONOMIC ADVISERS								
Salaries and expenses							420	For transportation of officials and staff members of the Council of Economic Advisers to departmental offices in Washington.
NATIONAL SECURITY COUNCIL								
Salaries and expenses: Station wagon						2		For courier service.
OFFICE OF DEFENSE MOBILIZATION								
Salaries and expenses							3,000	Director: To provide transportation for the Director, to and from official meetings in Washington, D. C., with Members of Congress and other Government officials. In addition, trips to classified locations. Messengers: Delivery of classified and special documents in the Washington area.
Total, Executive Office of the President						2	5,620	

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FUNDS APPROPRIATED TO THE PRESIDENT

The 1959 budget includes $3,949 million for several programs of the Government for which new obligational authority is granted directly to the President, who may designate officials or agencies to act for him in carrying out the activities involved. The amount for these various activities is $1,143 million more than in 1958, primarily because of the increase recommended for the mutual security program. The 1959 request for this program is $3,940 million, compared with a total availability in 1958 of $3,528 million which includes authority to use $764 million of unobligated prior year funds.

Military assistance and defense support.—Expenditures for military assistance to friendly nations abroad will not change significantly in 1959. It is expected that delivery of missiles will begin, while delivery of conventional weapons will start to decline. The request of $865 million for defense support in 1959 is $140 million more than the total availability in 1958; the increase is mainly for Far Eastern and Middle Eastern countries, which account for about 90% of the program.

Economic and technical development.—New obligational authority recommended for 1959 for international economic and technical development is $350 million more than total availability in 1958. A large part of the increase is to provide the development loan fund with sufficient working capital to meet an anticipated sharp rise in loan commitments; $625 million is requested for this purpose in 1959 compared with $300 million appropriated for 1958, the year in which the fund started.

The budget also provides increases for technical cooperation (mainly for a larger United States contribution to the United Nations technical assistance program), for participation in worldwide malaria eradication, and for contingencies. Provision is also made for a number of other special activities, such as the United States contribution to the United Nations children's fund.

Foreign information and exchange.—New obligational authority of $7.6 million is recommended for the President's special international program for 1959, compared with $15.1 million for 1958. The program for 1959 includes (1) about 35 cultural presentation projects, such as overseas tours of orchestras and theatrical, musical, dance, and sports groups; (2) participation in 18 trade fairs and exhibitions, including exhibits in Eastern Europe and adjacent areas.

Expansion of defense production.—No new obligational authority for 1959 is included in the budget for the expansion of defense production. Borrowing from the Treasury up to a limit of $2.1 billion is authorized under present law. This program encourages the expansion of production capacity for materials needed for defense—mainly by means of loans, purchase contracts, and commitment contracts to purchase output if not sold by the producer in the open market. To provide authority for new activities that may be necessary in connection with the parts of the defense program which are being accelerated, extension of the Defense Production Act for 2 years beyond its present expiration date of June 30, 1958, is being requested.

Expenditures, chiefly for purchases of defense materials, are estimated to increase from $130 million in 1957 to $370 million in 1958, reflecting the softening of private markets for minerals and metals, which has caused producers to exercise their option under earlier contracts which committed the Government to purchase. Aluminum, copper, and titanium comprise the major portion of the materials delivered under such contracts. The budget contemplates a tapering off of such deliveries in 1959 as contracts expire. Budget expenditures in 1959 are therefore estimated to decrease by $98 million to $272 million.

The defense production expansion program is carried on in close coordination with the program of the General Services Administration for stockpiling strategic and critical materials.

Disaster relief.—The budget includes no request for new obligational authority for 1959 to provide assistance to State and local governments in the relief of damage and suffering caused by natural disasters. In 1958, $25 million was appropriated for this purpose. It is estimated that $18.1 million will be available for obligation in 1959 from appropriations enacted in prior years.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Major national security:						
057 Stockpiling and defense production expansion				$129,837	$369,775	$271,864
058 Mutual defense assistance:						
Military assistance	$2,017,500	$1,340,000	$1,800,000	2,351,800	2,200,000	2,200,000
Defense support	1,109,700	689,000	865,000	1,143,468	945,001	885,000
Total, major national security	3,127,200	2,029,000	2,665,000	3,625,106	3,514,776	3,356,864
International affairs and finance:						
152 Economic and technical development	687,871	735,183	1,275,000	463,919	604,823	783,213
153 Foreign information and exchange activities	11,200	15,145	7,600	6,663	15,434	10,542
Total, international affairs and finance	699,071	750,328	1,282,600	470,582	620,257	793,755
Commerce and housing:						
521 Disaster insurance, loans, and relief	6,000	25,000		14,984	18,000	18,000
General government:						
603 Executive direction and management	1,400	1,000	1,000	155	1,425	1,264
Total, funds appropriated to the President	3,833,671	2,805,328	3,948,600	4,110,828	4,154,458	4,169,883

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
DEFENSE AID							
Current authorizations:							
Defense aid, special fund	152				$37,945	$134,401	
DISASTER RELIEF							
Current authorizations:							
Disaster relief	521	$6,000,000	$25,000,000		14,984,415	18,000,000	$18,000,000
EMERGENCY FUND FOR THE PRESIDENT							
Current authorizations:							
Emergency fund for the President, national defense	603	1,000,000	1,000,000	$1,000,000	46,163	1,220,000	985,000
EXPANSION OF DEFENSE PRODUCTION							
Public enterprise funds:							
Revolving fund, Defense Production Act	057				129,836,897	369,775,490	271,864,100
EXPENSES OF MANAGEMENT IMPROVEMENT							
Current authorizations:							
Expenses of management improvement	603	400,000			109,186	205,000	279,000
MUTUAL SECURITY							
Current authorizations:							
Military assistance:							
Military assistance	058	2,017,500,000	1,340,000,000		2,351,800,464	2,200,000,000	1,846,000,000
Common-use items							
Defense support:							
Defense support	058	1,109,700,000	689,000,000		1,143,448,745	945,000,000	575,000,000
Defense support, Europe							
Defense support, Near East and Africa							
Defense support, Asia							
Defense support, Near East, Africa and South Asia							
Mutual defense financing, defense support, economic and technical assistance, Europe							
Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam							
Southeast Asia and the Western Pacific							
Economic, technical, and other assistance:							
Development assistance	152	639,370,000	435,183,000		457,179,864	585,000,000	370,000,000
Technical cooperation, general authorization							
United Nations expanded program of technical assistance							
Technical cooperation programs of the Organization of American States							
Special assistance, general authorization							
Special assistance in joint control areas in Europe							
Intergovernmental Committee for European Migration							
United Nations refugee fund							
Escapee program							
United Nations children's fund							
United Nations Relief and Works Agency							
North Atlantic Treaty Organization							
Ocean freight charges, United States voluntary relief agencies							
Control Act expenses							
General administrative expenses							
Atoms for peace							
President's fund for Asian economic development							
Defense support, Latin America							
Development assistance, American Republics and non-self-governing territories of the Western Hemisphere							
Development assistance, Asia							
Development assistance, Near East and Africa							
Economic and technical assistance, defense support, Asia and Pacific, other than Formosa and the Associated States of Cambodia, Laos and Vietnam							
Economic and technical assistance, Near East and Africa							
Foreign research reactor projects							
Mutual security loans, Export-Import Bank of Washington							
Ocean freight charges, surplus agricultural commodities							
Palestine refugee program							
Special economic assistance, India and Pakistan							
Special Presidential fund							

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
MUTUAL SECURITY—Continued							
Public enterprise funds:							
Development loan fund (current appropriation)	152		$300,000,000			$20,000,000	$99,526,000
Foreign investment guaranty fund (authorization to expend from debt receipts)	152	$40,000,581			−$2,028,054	−600,000	−900,000
Proposed for later transmission (under proposed legislation):							
Military assistance	058			$1,800,000,000			354,000,000
Defense support	058			865,000,000			310,000,000
Economic, technical, and other assistance	152			650,000,000			240,000,000
Development loan fund	152			625,000,000			74,483,000
Total, mutual security		3,806,570,581	2,764,183,000	3,940,000,000	3,950,401,019	3,749,400,000	3,868,109,000
PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM							
Current authorizations:							
President's special international program	153	11,200,000	15,145,000	7,600,000	6,662,751	15,434,272	10,542,000
REFUGEE RELIEF							
Current authorizations:							
Refugee relief	152	8,500,000			8,625,641	183,929	
MISCELLANEOUS							
Current authorizations:							
Assistance to Greece and Turkey	058				19,452	928	
Assistance to the Republic of Korea	152				12,837		
Emergency relief liquidations	217				68		
Expenses, international development	152				70	212	
Obligations, defense aid, liquidation lend-lease program	152				86,552	100,000	100,000
United Nations Relief and Rehabilitation Administration	152				4,621	4,000	4,000
Total, miscellaneous					123,600	105,140	104,000
Total new obligational authority and budget expenditures		3,833,670,581	2,805,328,000	3,948,600,000	4,110,827,617	4,154,458,232	4,169,883,100
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$3,793,670,000	$2,805,328,000	$8,600,000	$4,110,827,617	$4,154,458,232	$3,191,400,100
Authorizations to expend from debt receipts		40,000,581					
Proposed for later transmission:							
Appropriations				3,940,000,000			978,483,000
Total new obligational authority and budget expenditures		3,833,670,581	2,805,328,000	3,948,600,000	4,110,827,617	4,154,458,232	4,169,883,100

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
MUTUAL SECURITY										
Development loan fund:										
Enacted or recommended	152		$20,011	$100,044		$11	$518		$20,000	$99,526
Proposed for later transmission	152			75,000			517			74,483
Foreign investment guaranty fund	152				$2,028	600	900	−$2,028	−600	−900
EXPANSION OF DEFENSE PRODUCTION										
Revolving fund, Defense Production Act	057	$312,413	485,623	342,803	182,576	115,848	70,939	129,837	369,775	271,864
Total, public enterprise funds		312,413	505,634	517,847	184,604	116,459	72,874	127,809	389,175	444,973

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
DEFENSE AID											
Current authorizations:											
Defense aid, special fund	$256	$256	$83	$218	$83	$83				$83	$83
DISASTER RELIEF											
Current authorizations:											
Disaster relief	22,774	29,268	13,123	20,284	18,122	27,284			$18,000		9,284
EMERGENCY FUND FOR THE PRESIDENT											
Current authorizations:											
Emergency fund for the President, national defense		40		275		55	$1,000	$930	55		70
EXPANSION OF DEFENSE PRODUCTION											
Public enterprise funds:											
Revolving fund, Defense Production Act:											
Cash		13,811		34,675		34,769			271,864		34,619
Authorization to expend from debt receipts	262,276	956,271	470,725	805,570	170,502	435,700				59,499	163,986
Total, expansion of defense production	262,276	970,082	470,725	840,245	170,502	470,469			271,864	59,499	198,605
EXPENSES OF MANAGEMENT IMPROVEMENT											
Current authorizations:											
Expenses of management improvement	135	238	519	528	289	323			279		44
MUTUAL SECURITY											
Current authorizations:											
Military assistance:											
Military assistance[1]	195,500	1,958,171	538,800	2,000,402	25,000	1,093,124			1,846,000		339,822
Common-use items											
Defense support:											
Defense support											
Defense support, Europe											
Defense support, Near East and Africa											
Defense support, Asia											
Defense support, Near East, Africa and South Asia											
Mutual defense financing, defense support, economic and technical assistance, Europe		1,117,462	36,000	1,065,601		809,601			575,000		234,601
Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam											
Southeast Asia and the Western Pacific											
Economic, technical, and other assistance:											
Development assistance											
Technical cooperation, general authorization											
United Nations expanded program of technical assistance											
Technical cooperation programs of the Organization of American States											
Special assistance, general authorization											
Special assistance in joint control areas in Europe											
Intergovernmental Committee for European Migration											
United Nations refugee fund											
Escapee program											
United Nations children's fund											
United Nations Relief and Works Agency	142,601	642,761	189,449	807,108	3,928	657,291			370,000		287,291
North Atlantic Treaty Organization											
Ocean freight charges, United States voluntary relief agencies											
Control Act expenses											
General Administrative expenses											
Atoms for peace											
President's fund for Asian economic development											
Defense support, Latin America											
Development assistance, American Republics and non-self-governing territories of the Western Hemisphere											
Development assistance, Asia											
Development assistance, Near East and Africa											

[1] See footnotes on p. 74.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
MUTUAL SECURITY—Continued											
Current authorizations—Continued											
Economic, technical, and other assistance—Con.											
Economic and technical assistance, defense support, Asia and Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Vietnam)											
Economic and technical assistance, Near East and Africa											
Foreign research reactor projects											
Mutual security loans, Export-Import Bank of Washington											
Ocean freight charges, surplus agricultural commodities											
Palestine refugee program											
Special economic assistance, India and Pakistan											
Special Presidential fund											
Public enterprise funds:											
Development loan fund (current appropriation)					$100,000	$280,000			$99,526	$474	$180,474
Foreign investment guaranty fund:											
Cash				$2,028		2,628			−900		3,528
Authorization to expend from debt receipts	$69,210	$159,071	$105,177	199,072	89,577	199,072				70,377	199,072
Proposed for later transmission (under proposed legislation):											
Military assistance							$1,800,000	$354,000			[1] 371,000
Defense support							865,000	310,000			555,000
Economic, technical, and other assistance							650,000	240,000			410,000
Development loan fund							625,000	74,483		225,517	550,517
Total, mutual security	407,311	3,877,465	869,426	4,074,211	218,505	3,041,716	3,940,000	978,483	2,889,626	296,368	3,131,305
PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM											
Current authorizations:											
President's special international program	628	2,073	3,024	6,610	3,110	6,321	7,600	5,831	4,711	200	3,379
REFUGEE RELIEF											
Current authorizations:											
Refugee relief		1,510		184							
MISCELLANEOUS											
Current authorizations:											
Assistance to Greece and Turkey				1							
Obligations, defense aid, liquidation lend-lease program				1,730		1,630			100		1,530
United Nations Relief and Rehabilitation Administration				26		22			4		18
Total, miscellaneous				1,757		1,652			104		1,548
Total, funds appropriated to the President	693,380	4,880,932	1,356,900	4,944,312	410,611	3,547,903	3,948,600	985,244	3,184,639	356,150	3,344,318
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$361,894	$3,751,779	$780,998	$3,902,967	$50,532	$2,595,734				$283	[1] $876,122
Authorizations to expend from debt receipts	331,486	1,115,342	575,902	1,004,642	260,079	634,772	$8,600	$6,761	$3,184,639	129,876	363,058
Revolving and management funds: Public enterprise funds		13,811		36,703	100,000	317,397				474	218,621
Proposed for later transmission:											
Appropriations							3,940,000	978,483		225,517	[1] 1,886,517
Total, funds appropriated to the President	693,380	4,880,932	1,356,900	4,944,312	410,611	3,547,903	3,948,600	985,244	3,184,639	356,150	3,344,318

[1] Excludes outstanding common-item order reservations accounted for as balances under Department of Defense—Military Functions, see table on pp. 518–519.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$3,751,779	$3,902,967	$2,595,734
Authorizations to expend from debt receipts	1,115,342	1,004,642	634,772
Revolving and management funds	13,811	36,703	317,397
Total balances brought forward	4,880,932	4,944,312	3,547,903
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	3,793,670	2,805,328	8,600
Authorizations to expend from debt receipts	40,001	----------	----------
Total new obligational authority enacted or recommended	3,833,671	2,805,328	8,600
Proposed for later transmission: Appropriations	----------	----------	3,940,000
Total new obligational authority	3,833,671	2,805,328	3,948,600
Other amounts available:			
Restored from certified claims account	1,899	----------	----------
Net transfers of balances from or to (−) other agencies	390,708	−47,278	17,698
Total balances other amounts available	392,607	−47,278	17,698
Total budget authorizations available	9,107,210	7,702,362	7,514,201
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	4,110,828	4,154,458	6,761
Out of balances of prior obligational authority			3,184,639
Total expenditures from obligational authority enacted or recommended	4,110,828	4,154,458	3,191,400
From obligational authority proposed for later transmission: Out of new obligational authority	----------	----------	978,483
Total budget expenditures	4,110,828	4,154,458	4,169,883
Amounts no longer available:			
Unobligated balances expiring and lapsing	51,913	----------	----------
Adjustment of balances downward in expired accounts, net	155	----------	----------
Total amounts no longer available	52,068	----------	----------
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	3,902,967	2,595,734	876,122
Authorizations to expend from debt receipts	1,004,642	634,772	363,058
Revolving and management funds	36,703	317,397	218,621
Proposed for later transmission: Appropriations	----------	----------	1,886,517
Total balances carried forward at close of year	4,944,312	3,547,903	3,344,318
Obligations incurred, net	$3,508,946	$3,704,339	$4,020,759

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DEFENSE AID

DEFENSE AID, SPECIAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total obligations)	$172,346		
Financing:			
Unobligated balance brought forward	−255,843	−$83,497	−$83,497
Unobligated balance carried forward	83,497	83,497	83,497
Appropriation (new obligational authority)			

Object Classification

13 Refunds, awards, and indemnities	$172,346		

DISASTER RELIEF

Current authorizations:

[DISASTER RELIEF]

[For expenses necessary to carry out the purposes of the Act of September 30, 1950 (Public Law 875), as amended, authorizing assistance to States and local governments in major disasters, $10,000,000 to remain available until expended: *Provided,* That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958,[a] **$25,000,000**

[a] Includes $15,000,000 appropriated in Supplemental Appropriation Act, 1958.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration	$383,922	$485,000	$473,000
2. Grants to disaster-affected areas	15,267,966	19,515,907	17,649,000
Total obligations	15,651,888	20,000,907	18,122,000
Financing:			
Reimbursements from other accounts	−423		
Unobligated balance brought forward	−22,774,372	−13,122,907	−18,122,000
Unobligated balance carried forward	13,122,907	18,122,000	
Appropriation (new obligational authority)	6,000,000	25,000,000	

This program provides for a coordinated effort by the Federal Government to assist States and their political subdivisions affected by major disaster when they are unable to cope with the situation physically or financially.

Responsibility for the administration of this program is delegated to the Federal Civil Defense Administration. Disaster relief operations of the entire Federal Government are coordinated and funds are made available to affected areas and to reimburse Federal agencies for disaster operations. State and local civil defense organizations are active in disaster operations and receive valuable operational training as a result. Funds appropriated in 1958 are considered adequate for 1959 operations under this program.

Major disaster areas proclaimed by the President and allocation of funds made to States for 1957 are:

State	*Type*	*Date declared*	*Allocation*
Arkansas	Flood	May 29, 1957	$400,000
California	Fire	Dec. 29, 1956	100,000
Hawaii	Tidal wave	Mar. 16, 1957	60,000
Idaho	Flood	May 27, 1957	
Illinois	....do	June 22, 1957	
Kentucky	....do	Jan. 31, 1957	2,000,000
Louisiana	Hurricane	Oct. 4, 1956	260,000
Do	Flood and hurricane	May 16 and June 29, 1957	200,000
Minnesota	Flood	June 22, 1957	
Missouri	Tornado and flood	May 22, 29, and June 22, 1957	2,000,000
Nevada	Flood	Aug. 31, 1956	$30,000
North Dakota	Tornado	June 22, 1957	
Oklahoma	Flood	May 18, 1957	1,000,000
Oregon	Storm	July 20, 1956	126,000
Do	Flood	Mar. 1, 1957	300,000
Pennsylvania	Storm	Aug. 9, 1956	300,000
Puerto Rico	Hurricane	Aug. 18, 1956	3,500,000
Texas	Flood and hurricane	Apr. 29, May 4, and June 29, 1957.	1,000,000
Virginia	Flood	Feb. 1, 1957	300,000
Washington	....do	Mar. 6, 1957	300,000
West Virginia	....do	Jan. 31, 1957	200,000
Total			12,076,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	80	49	43
Full-time equivalent of all other positions	10	15	9
Average number of all employees	80	53	49
Number of employees at end of year	73	38	40
Average GS grade and salary	7.9 $5,962	8.6 $6,290	8.8 $6,578
01 Personal services:			
Permanent positions	$386,716	$236,400	$256,160
Positions other than permanent	56,694	94,000	60,000
Other personal services	38,786	11,600	11,840
Total personal services	482,196	342,000	328,000
02 Travel	120,503	90,000	80,000
03 Transportation of things	3,151	2,700	2,700
04 Communication services	42,154	43,300	38,850
05 Rents and utility services	19,186	2,000	2,000
06 Printing and reproduction	353		
07 Other contractual services	2,806,776	1,000	1,000
Services performed by other agencies	355,304	3,360,478	2,000,000
08 Supplies and materials	79,070	2,000	1,500
09 Equipment	2,581	1,000	
10 Lands and structures	1,094,486	668,500	
11 Grants, subsidies, and contributions	10,644,058	15,485,429	15,665,650
12 Pensions, annuities, and insurance claims	492	700	600
15 Taxes and assessments	1,578	1,800	1,700
Total obligations	15,651,888	20,000,907	18,122,000
Obligations are distributed as follows:			
Federal Civil Defense Administration	$11,066,944	$19,295,528	$18,122,000
Corps of Engineers	4,623,908	705,379	
Department of Agriculture	−37,964		
Housing and Home Finance Agency	−1,000		

EMERGENCY FUND FOR THE PRESIDENT

Current authorizations:

EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE

For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify, to provide in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year, $1,000,000: *Provided,* That no part of this appropriation shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eighty-fifth Congress, *second session, and Eighty-sixth Congress, first session,* and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000** Estimate 1959, **$1,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Emergency programs (total obligations)	$282,174	$1,000,000	$1,000,000
Financing:			
Unobligated balance no longer available	717,826		
Appropriation (new obligational authority)	1,000,000	1,000,000	1,000,000

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These funds are to enable the President to provide for emergencies affecting the national interest, security, or defense.

Object Classification

	1957 actual	1958 estimate	1959 estimate
EMERGENCY FUND FOR THE PRESIDENT			
Reserved for future allocations		$925,000	$1,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions		14	
Full-time equivalent of all other positions	1	2	
Average number of all employees	1	16	
Number of employees at end of year	0	0	
Average GS grade and salary		12.3 $8,800	
01 Personal services:			
Positions other than permanent	$2,689	$14,200	
Permanent positions		26,500	
Other personal services	42	6,000	
Total personal services	2,731	46,700	
02 Travel	2,461	10,000	
04 Communication services	242	2,000	
06 Printing and reproduction	1,631	2,500	
07 Other contractual services	275,007	3,200	
Services performed by other agencies		8,000	
08 Supplies and materials	63	200	
09 Equipment		400	
11 Grants, subsidies, and contributions		1,700	
15 Taxes and assessments	39	300	
Total, allocation accounts		75,000	
Total obligations	282,174	1,000,000	$1,000,000
Obligations are distributed as follows:			
Reserved for future allocation		$925,000	$1,000,000
Office of Defense Mobilization	$275,000	25,000	
General Services Administration		50,000	
Department of Health, Education, and Welfare	7,174		

EXPANSION OF DEFENSE PRODUCTION

REVOLVING FUND, DEFENSE PRODUCTION ACT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Minerals and metals production program (General Services Administration):			
Cost of commodities sold	$104,095,538	$68,805,363	$31,627,000
Other program expense	3,318,458	2,899,000	2,316,000
2. Machine tool program (General Services Administration):			
Depreciation on tools leased	1,561,830	1,500,000	1,500,000
Other program expense	82,539	98,000	11,000
3. Rubber program (General Services Administration): Program expense	1,621		
4. Administrative expenses (General Services Administration):			
Interest	20,754,053	31,533,000	43,228,000
Other expense	3,547,378	4,898,400	4,790,500
Adjustment to prior year operations	209,481		
5. Agricultural commodities program (Agriculture):			
Interest	4,454,291	555,762	67,335
Other program expense	1,229,614	1,539,917	1,568,119
6. Mineral exploration program (Interior):			
Estimated losses on loans	2,344,292	2,240,000	1,440,000
Other program expense	1,942,520	2,250,000	2,000,000
7. Domestic lending program (Treasury):			
Acquisition of loans	4,260,063	6,000,000	
Other program expense	6,376,014	4,810,000	4,795,000
8. Foreign lending program (Export-Import Bank):			
Interest	909,942	900,000	769,800
Other program expense	3,462	3,000	3,000
Total operating costs	155,091,096	128,032,442	94,115,754
Depreciation included above (General Services Administration) (−)	−4,086,140	−5,500,000	−5,500,000
Provisions for self insurance at Government-owned plant (General Services Administration) (−)	−79,856	−65,000	−65,000
Provision for losses on loans (Interior) (−)	−2,344,292	−2,240,000	−1,440,000
Total operating costs, funded	148,580,808	120,227,442	87,110,754

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Capital outlay:			
1. Minerals and metals production program (General Services Administration): Lands, structures, equipment, and advances	$39,794,457	$300,000	
2. Machine tool program (General Services Administration)	116,178		
4. Administrative expenses (General Services Administration): Office equipment	9,297	9,600	$9,500
6. Mineral exploration program (Interior): Loans	2,930,097	2,800,000	1,800,000
8. Foreign lending program (Export-Import Bank)	8,636,023		
Total capital outlay	51,486,052	3,109,600	1,809,500
Total program costs, funded	200,066,860	123,337,042	88,920,254
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−26,024,157		
Obligations incurred for costs of other years, net		300,216,957	92,616,946
Total program (obligations)	174,042,703	423,553,999	181,537,200
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection of loans	12,332,442	7,882,535	10,695,000
Advances repaid and proceeds from sale of equipment	38,316,797	19,037,000	11,552,000
Other receipts	118,953,974	87,844,250	46,690,200
Adjustment to prior year income	656,380		
Recovery of prior year obligations	212,232,110	8,567,214	1,597,000
Total amounts becoming available	382,491,703	123,330,999	70,534,200
Unobligated balance brought forward (authorization to expend from public debt receipts)	262,276,000	470,725,000	170,502,000
Total amounts available	644,767,703	594,055,999	241,036,200
Unobligated balance carried forward (authorization to expend from public debt receipts)	−470,725,000	−170,502,000	−59,499,000
Total financing applied to program	174,042,703	423,553,999	181,537,200

Under section 304 (b) of the Defense Production Act of 1950, designated agencies are authorized with Presidential approval to incur obligations of $2.1 billion on a probable ultimate net cost basis for the purpose of making loans and procuring critical materials in furtherance of the defense effort. The obligations are financed by borrowings from the Treasury. The 1951 amendments to the act permit commitments in excess of $2.1 billion so long as estimated probable ultimate net cost and outstanding working capital do not exceed this amount at any one time. Programs undertaken must be certified as essential to the national defense by the Office of Defense Mobilization. As of June 30, 1957, that Office had authorized programs having a gross value of $8,297 million which required certification of borrowing authority to cover working capital requirements and the estimated net cost to the Government. Of the $8.3 billion, gross transactions of $2.2 billion remained to be completed, and $0.5 billion remained to be placed under contract.

CERTIFICATIONS AS OF JUNE 30, 1957

[In thousands]

General Services Administration	$1,265,633
Treasury Department	230,615
Department of Agriculture	64,735
Department of the Interior	33,048
Export-Import Bank of Washington	35,244
Total certifications	1,629,275
Unused authorizations	470,725
Total	2,100,000

Of the $1,629.3 million certified, $962.7 million is required to cover the estimated probable ultimate net cost and $666.6 million is required for working capital to cover materials inventories, loans and advances to contractors. The working capital estimate has assumed a resale of materials to the stockpile. However, further sales to the stockpile are temporarily deferred pending receipt and

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EXPANSION OF DEFENSE PRODUCTION—Con.

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

analysis of the report of the Office of Defense Mobilization committee recently established to review the Government's stockpiling. Should it be indicated that sales to the stockpile should be revised downward, there is a possibility that an increase in the $2.1 billion borrowing authority will be necessary.

Extension of the Defense Production Act is being requested for 2 years beyond its present expiration date of June 30, 1958. While no specific new programs are proposed at this time, certain changes in military programs may result in urgent needs for research, development, and expansion of productive capacity requiring assistance under the act.

General Services Administration.—Borrowing authority of $1,265,633,000 has been certified as of June 30, 1957, to finance the expansion of productive capacity for strategic metals and minerals and machine tools. This amount includes $863,259,000 for probable ultimate net cost of specific programs of which $678,276,000 is for metals and minerals programs, $69,900,000 for machine tool programs, and $115,083,000 for Treasury interest, custodial, and administrative expenses. It also includes $402,374,000 of working capital required for carrying inventories for which no sale is now foreseen.

The bulk of the Defense Production Act expansion programs have been contracted for and physical expansion completed. The plants are in production and the contracts are now in the administration phase with the major problems being receipt, custody, and eventual disposition of the materials. Future deliveries of materials under the contracts are expected to be substantial but will depend upon economic and business conditions. For instance the decline in price of copper is resulting in the exercise of options granted under floor price contracts. Also the easing in industrial demand for nickel and aluminum is resulting in substantial deliveries to the Government. The exercise of option rights by contractors is being carefully examined with a view to reducing deliveries to the Government as far as possible within the terms of the contracts whenever procurement priority levels have been attained.

A summary of transactions involving strategic minerals and metals (including work-in-process inventory) under this fund follows:

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Inventory—July 1	$567.1	$679.6	$1,032.2
Deliveries during year	216.6	417.4	281.4
Total available for sale	783.7	1,097.0	1,313.6
Sales during year:			
To national stockpile	51.8	7.4	
To industry	50.2	65.5	34.4
Total sales	102.0	72.9	34.4
Losses on sales (profits)	2.1	(8.1)	(6.9)
Inventory—June 30	679.6	1,032.2	1,286.1
Total dispositions and June 30 inventory	783.7	1,097.0	1,313.6

Major Defense Production Act programs administered by General Services Administration are as follows:

1. Domestic purchase programs designed to increase domestic production by fixed incentive prices available to all domestic producers of materials such as beryl, mica, mercury, and manganese.

2. Basic expansion programs to increase mining or refining capacity of such materials as aluminum, copper, nickel, and fluorspar by offering guaranteed markets under specific contracts and for specific projects.

3. Research and pilot plant programs to develop new processes for economic recovery of low grade domestic ores and for developing new processes for producing new materials, such as titanium or synthetic mica.

4. A program for the production of nickel from the Government-owned Nicaro nickel plant.

5. A program for expansion of machine tool producing capacity by (*a*) installing under lease Government-owned machine tools in the plants of private producers, (*b*) placing pool order contracts for general purpose machine tools to be activated in the event of a future emergency.

6. A program to "round out" capacity to produce steam turbines and turbine gears by installing machinery and equipment in plants of private contractors.

The expansion of the Government-owned nickel plant in Cuba, which was authorized by the Office of Defense Mobilization and cleared with the Joint Committee on Defense Production, has been completed at a cost of less than $37 million. After a break-in period, it is expected that the enlarged plant will produce nickel at a rate of 50 million pounds per year.

In addition, the General Services Administration certifies defense loans to the Treasury Department or the Export-Import Bank of Washington and makes recommendations with respect to tax amortization certificates. The Administration also has been delegated responsibility for the basic materials development program previously carried on by Foreign Operations Administration and its successor, the International Cooperation Administration in certain countries of Europe, Near East, and Africa.

A total of $7,315.8 million in gross value of contracts has been entered into by General Services Administration under Defense Production Act authority. Of this amount a total of $5,314.4 million has been completed as measured by procurement, guaranteed production, completion of facilities, completed research, etc. The balance of $2,001.4 million will mature as follows:

[In millions]

1958	$534.2
1959	413.3
1960	371.5
After 1960	682.4

A large part of the maturing contracts is represented by contingent Government commitments for aluminum, copper, nickel, titanium, and manganese. The extent to which options will be exercised will depend upon industrial demand for aluminum, nickel, and titanium and upon the price fluctuations in copper and manganese.

Cumulative loss from resale of commodities and from expenses incurred amounted to $175.9 million as of June 30, 1957. The probable ultimate net cost of activities completed, including the losses on valuation or expected resale of commodities in inventory, was estimated at $609.7 million as of June 30, 1957.

Department of Agriculture.—The purchase, management, and resale of agricultural commodities, except forest products, are carried out by the Commodity Credit Corporation, which is reimbursed from this fund for the net costs involved. The Secretary of Agriculture has been allocated borrowing authority for this purpose.

During 1957, the Corporation continued the management of inventories of castor beans and American-Egyptian cotton acquired under programs initiated in prior years. The castor oil and nearly all of the American-Egyptian cotton inventories had been disposed of by June 30, 1957. The remainder of the cotton will be sold during

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1958. However, it is contemplated that a small amount of castor beans will remain in the inventory of the Commodity Credit Corporation beyond June 30, 1959.

Net realized losses on purchase and resale operations amounted to $4,454,291 during 1957 and is estimated at $555,762 and $67,335 during 1958 and 1959, respectively. During 1958 the Secretary of Agriculture will reimburse the Commodity Credit Corporation in the amount of $11,697,700 for the net costs of the 1953 castor bean and oil and American-Egyptian cotton programs. These payments constitute the net budgetary expenditures under this fund.

In addition to purchase and resale operations, the Secretary of Agriculture may recommend to the Office of Defense Mobilization the certification of certain loans for increasing plant capacity to process or store agricultural commodities. No loans were certified during 1957 and none are expected to be certified during 1958 and1959.

Department of the Interior.—Operations within the Department of the Interior with regard to the expansion of defense production have been limited to the encouragement of exploration for strategic and critical minerals and metals. As of June 30, 1957, the Office of Defense Mobilization had extended to the Defense Minerals Exploration Administration borrowing authority in the amount of $34,000,000. In August 1957 the amount was increased to $38,800,000. From the beginning of the program through June 30, 1957, Defense Minerals Exploration Administration had entered into 1,055 contracts in which the Government's share of estimated costs amounted to $31,304,152 as against total estimated costs of $50,893,072.

Defense Minerals Exploration Administration had certified, as of the end of June 1957, 304 discoveries on projects involving contract amounts of $18,243,151, of which the Government's share is $11,515,012. As of June 30, 1957, a total of $9,212,413 of Government funds had been spent on these certified projects. If production takes place on these projects within a 10-year period, some part, at least, of the Government funds advanced will be repaid under a royalty arrangement.

Treasury Department.—The function of making and administering loans to domestic private business enterprises under the authority of section 302 of the Defense Production Act of 1950, as amended, was assigned to the Secretary of the Treasury by Executive Order 10489, dated September 26, 1953. Applications for loans are considered upon certification for essentiality by the Office of Defense Mobilization or General Services Administration. Net loan certifications were $204,560,068 on June 30, 1957, against which actual borrowings from the Treasury amounted to $167,890,000.

There were no new loans authorized under this authority in 1957 and none are anticipated for 1958 or 1959. Loans outstanding on June 30, 1957, totaled $180,233,536. In addition, there was $24,326,532 in undisbursed commitments, of which $18,326,532 represented commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred.

Loans and commitments outstanding are disposed of to private financial institutions and investors whenever possible.

Export-Import Bank of Washington.—Pursuant to section 311 of Executive Order No. 10480 of August 15, 1953, which superseded Order No. 10161, the Export-Import Bank, with funds provided under section 304 of the Defense Production Act of 1950, as amended, is responsible for making and administering all loans under section 302 of the act, upon receipt of certificates of essentiality issued by the Director of Defense Mobilization or the General Services Administrator, where the expansion, development, or production so financed is carried on in foreign countries.

No certifications were received and no new loans were authorized by the bank during 1957. It is contemplated that there will be no additional certifications to the Export-Import Bank in connection with these operations.

Loans outstanding on June 30, 1957, totaled $36.5 million, and are expected to be $27.4 million by June 30, 1959. All undisbursed loan obligations were liquidated by June 30, 1957.

Relation of costs to obligations.—The relationship is derived by year-end balances and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$217,858	$176,356	$176,356	$176,356
Inventories:				
Commodities for sale	567,252,082	679,593,363	1,032,247,000	1,286,135,000
Supplies	4,962,271	5,362,046	5,362,046	5,362,046
Deferred charges	13,643,856	4,361,174	4,361,174	4,361,174
Obligations other than liabilities; undisbursed commitments and unpaid undelivered orders	695,582,313	353,909,174	292,905,280	130,037,226
Total selected resources at end of year	1,281,658,380	1,043,402,113	1,335,051,856	1,426,071,802
Selected resources at start of year (−)	−1,281,658,380	−1,043,402,113	−1,335,051,856	−1,426,071,802
Increase or decrease (−) in selected resources		−238,256,267	291,649,743	91,019,946
Adjustment due to recovery of prior year obligations		212,232,110	8,567,214	1,597,000
Costs financed from obligations of other years, net (−)		−26,024,157		
Obligations incurred for costs of other years, net			300,216,957	92,616,946

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
General Services Administration:			
Minerals and metals program:			
Acquisition of assets	$39,794,457	$300,000	
Expense:			
Purchases and manufacturing costs	213,833,266	417,394,000	$281,450,000
Other expense	3,317,845	2,899,000	2,316,000
Machine tool program:			
Acquisition of machine tools	116,178		
Expense	82,539	98,000	11,000
Undistributed:			
Acquisition of administrative equipment	9,297	9,600	9,500
Expense	24,303,052	36,431,400	48,018,500
Adjustment to prior year operations	209,481		
Total, General Services Administration	281,666,115	457,132,000	331,805,000
Department of Agriculture:			
Expense	5,683,905	2,095,679	1,635,454
Increase in selected working capital		9,602,021	
Total, Department of Agriculture	5,683,905	11,697,700	1,635,454
Department of the Interior: Loan program:			
Acquisition of loans	2,930,097	2,800,000	1,800,000
Expense	1,942,520	2,250,000	2,000,000
Total, Department of the Interior	4,872,617	5,050,000	3,800,000
Treasury Department:			
Acquisition of loans	4,260,063	6,000,000	
Expense	6,376,015	4,805,000	4,790,000
Total, Treasury Department	10,636,078	10,805,000	4,790,000
Export-Import Bank of Washington:			
Acquisition of loans	8,636,023		
Expense	913,404	903,000	772,800
Increase in selected working capital	5,111	35,616	
Total, Export-Import Bank of Washington	9,554,538	938,616	772,800
Total gross expenditures	312,413,253	485,623,316	342,803,254

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EXPANSION OF DEFENSE PRODUCTION—Con.

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
General Services Administration:			
Minerals and metals program:			
Advances repaid and proceeds from sale of equipment	$28,584,615	$16,865,000	$11,400,000
Revenue	105,745,931	76,346,000	35,911,000
Adjustment to prior year operations	582,548		
Machine tool program:			
Advances repaid and proceeds from sale of equipment	9,732,182	2,172,000	152,000
Revenue	2,340,691	826,000	469,000
Adjustment to prior year operations	33,737		
Undistributed:			
Revenue	3,791		
Adjustment to prior year operations	20,047		
Decrease in selected working capital	5,948,070		
Total, General Services Administration	152,991,612	96,209,000	47,932,000
Department of Agriculture:			
Decrease in selected working capital	5,683,905		1,635,454
Department of the Interior:			
Loan program: Loans repaid	538,684	500,000	400,000
Decrease in selected working capital	65,785	124,215	130,000
Total, Department of the Interior	604,469	624,215	530,000
Treasury Department:			
Loans repaid	9,337,998	2,794,536	5,815,000
Revenue	9,143,789	8,980,000	8,846,000
Adjustment of prior year income	20,048		
Decrease in selected working capital	619,002	964,825	222,500
Total, Treasury Department	19,120,837	12,739,361	14,883,500
Export-Import Bank of Washington:			
Loans repaid	2,455,760	4,588,000	4,480,000
Revenue	1,719,772	1,687,250	1,459,200
Decrease in selected working capital			19,000
Total, Export-Import Bank of Washington	4,175,532	6,275,250	5,958,200
Total receipts from operations	182,576,355	115,847,826	70,939,154
Budget expenditures	129,836,898	369,775,490	271,864,100

Revenue, Expense, and Retained Earnings

General Services Administration:			
Minerals and Metals program:			
Revenue	$105,745,915	$76,346,000	$35,911,000
Expense	107,248,345	71,704,363	33,943,000
Net operating loss (−), minerals and metals program	−1,502,430	4,641,637	1,968,000
Machine tool program:			
Revenue	2,340,691	826,000	469,000
Expense	1,644,369	1,598,000	1,511,000
Net operating income or loss (−), machine tool program	696,322	−772,000	−1,042,000
Undistributed:			
Revenue	3,791		
Expense	24,303,052	36,431,400	48,018,500
Net operating loss (−), undistributed	−24,299,261	−36,431,400	−48,018,500
Nonoperating income or loss (−):			
Proceeds from sale of assets	9,886,238	2,172,000	152,000
Net book value of assets sold (−)	−10,779,825	−2,172,000	−152,000
Net loss (−) from sale of assets	−893,587		
Net loss (−) for the year, General Services Administration	−25,998,956	−32,561,763	−47,092,500
Department of Agriculture: Expense (net operating loss (−) for the year)	−5,683,905	−2,095,679	−1,635,454
Department of the Interior: Expense (net operating loss (−) for the year)	−4,286,812	−4,490,000	−3,440,000
Treasury Department:			
Revenue	9,143,789	8,980,000	8,846,000
Expense	6,376,014	4,805,000	4,790,000
Net operating income	2,767,775	4,175,000	4,056,000
Nonoperating income or loss (−):			
Writeoff loans	−46,643	−1,380,000	−719,000
Decrease in allowance for losses on loans	4,290,209	1,409,791	750,000
Net nonoperating income	4,243,566	29,791	31,000
Net income for the year, Treasury Department	7,011,341	4,204,791	4,087,000

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Export-Import Bank of Washington:			
Revenue	$1,719,772	$1,687,250	$1,459,200
Expense	913,404	903,000	772,800
Net operating income for the year, Export-Import Bank of Washington	806,368	784,250	686,400
Net loss (−) for the year	−28,151,964	−34,158,401	−47,394,554
Analysis of deficit:			
Deficit (−), beginning of year	−219,881,445	−247,601,830	−281,760,231
Adjustment to prior year operations:			
Affecting working capital	446,899		
Not affecting working capital	−15,320		
Deficit (−), end of year	−247,601,830	−281,760,231	−329,154,785

Financial Condition

Assets:			
Cash with Treasury	$34,674,650	$34,768,523	$34,619,023
Accounts receivable	25,193,110	24,346,012	24,127,012
Advances	176,356	176,356	176,356
Commodities for sale	679,593,363	1,032,247,000	1,286,135,000
Supplies	5,362,046	5,362,046	5,362,046
Deferred charges	4,361,174	4,361,174	4,361,174
Loans receivable, net	212,608,663	211,315,919	201,011,919
Advances on long term contracts	56,936,656	40,071,656	28,671,656
Land, structures, and equipment, net	105,920,359	98,507,252	92,855,252
Total assets	1,124,826,377	1,451,155,938	1,677,319,438
Liabilities and reserves:			
Current liabilities	40,803,444	31,407,750	33,195,704
Reserves—Government-owned plant	405,302	470,302	535,302
Total liabilities and reserves	41,208,746	31,878,052	33,731,006
Government investment:			
Interest-bearing capital:			
Start of year	1,143,729,132	1,294,430,142	1,664,299,505
Borrowings from Treasury during year, net	150,701,010	369,869,363	271,714,600
End of year	1,294,430,142	1,664,299,505	1,936,014,105
Non-interest-bearing capital:			
Start of year	37,032,016	36,789,319	36,738,612
Donated assets	−155,250		
Assets transferred to other Government agencies or funds (−)	−87,447	−50,707	−9,500
End of year	36,789,319	36,738,612	36,729,112
Deficit (−)	−247,601,830	−281,760,231	−329,154,785
Total Government investment	1,083,617,631	1,419,277,886	1,643,588,432

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$13,810,539	$34,674,650	$34,768,523	$34,619,023
Budget authorizations	956,270,868	805,569,858	435,700,495	163,985,895
Total unexpended balance	970,081,407	840,244,508	470,469,018	198,604,918
Obligated balance, net:				
Current liabilities	33,154,956	40,803,444	31,407,750	33,195,704
Obligations other than liabilities; undisbursed commitments and unpaid undelivered orders	695,582,313	353,909,174	292,905,280	130,037,226
Accounts receivable, net and cash in transit (−)	−20,931,862	−25,193,110	−24,346,012	−24,127,012
Total obligated balance	707,805,407	369,519,508	299,967,018	139,105,918
Unobligated balance	262,276,000	470,725,000	170,502,000	59,499,000

Object Classification—Administrative

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	334	292	244
Full-time equivalent of other positions	3	3	2
Average number of all employees	281	283	231
Number of employees at end of year	284	283	226
Average GS grade and salary	8.1 $6,427	8.3 $6,494	8.5 $6,531
Average salary of ungraded positions	$1,803	$1,848	$1,638
01 Personal services:			
Permanent positions	$1,805,216	$1,806,932	$1,473,898
Positions other than permanent	26,017	20,829	19,829
Other personal services	38,587	68,419	37,273
Total personal services	1,869,820	1,896,180	1,531,000

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Object Classification—Administrative—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$105,682	$137,700	$121,300
03 Transportation of things	2,717	9,800	7,600
04 Communication services	32,634	49,400	38,400
05 Rents and utility services	15,983	5,000	4,500
06 Printing and reproduction	10,839	15,700	12,500
07 Other contractual services	60,336	82,000	60,000
Services performed by other agencies	1,858,734	1,694,700	1,484,700
08 Supplies and materials	24,367	34,900	23,800
09 Equipment	22,924	24,600	16,500
11 Grants, subsidies, and contributions		113,900	95,700
13 Refunds, awards, and indemnities	2,152	4,000	4,000
15 Taxes and assessments	2,187	3,120	3,000
Total accrued administrative expenditures	4,008,375	4,071,000	3,403,000
Accrued administrative expenditures are distributed as follows:			
General Services Administration	$2,394,290	$2,408,000	$2,300,000
Department of the Interior	1,432,857	1,525,000	1,000,000
Treasury Department	177,766	135,000	100,000
Export-Import Bank	3,462	3,000	3,000

EXPENSES OF MANAGEMENT IMPROVEMENT

Current authorizations:

EXPENSES OF MANAGEMENT IMPROVEMENT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Improving the management of executive agencies (total obligations)	$16,459	$230,000	$288,863
Financing:			
Unobligated balance brought forward	−135,310	−518,863	−288,863
Recovery of prior year obligations	−12		
Unobligated balance carried forward	518,863	288,863	
Appropriation (new obligational authority)	400,000		

These funds enable the President to have studies conducted of the organization and operations of the executive branch and to develop and install improvements therein.

Object Classification

	1957 actual	1958 estimate	1959 estimate
EXPENSES OF MANAGEMENT IMPROVEMENT			
Reserved for future allocations		$210,500	$258,363
ALLOCATION TO BUREAU OF THE BUDGET			
Full-time equivalent of all other positions	1	2	3
Average number of all employees	1	2	3
Number of employees at end of year	0	3	3
01 Personal services:			
Positions other than permanent	$6,729	$17,800	$27,900
Other personal services			100
Total personal services	6,729	17,800	28,000
02 Travel	90	500	500
04 Communication services	140		
07 Other contractual services	9,500	100	200
11 Grants, subsidies, and contributions		1,100	1,800
Total, Bureau of the Budget	16,459	19,500	30,500
Total obligations	16,459	230,000	288,863

[MUTUAL SECURITY]

The mutual security program promotes the foreign policy, security, and general welfare of the United States by assisting other free world nations to maintain and increase their military and economic strength. It is conducted under the Mutual Security Act of 1954, as amended. Responsibility for execution of the program has been delegated by the President to the Secretaries of State and Defense. The Secretary of State has been delegated responsibility for general coordination.

The mutual security program takes four principal forms. *Military assistance* includes military end items, supplies, training, construction, and research. *Defense support* is essential economic assistance such as food, raw materials and machinery, to countries supporting military forces beyond their unaided capabilities. *The development loan fund* is designed to stimulate economic development by providing capital on a loan basis. Unlike the military assistance and defense support programs, the fund is not programed on a country basis for presentation to Congress; in contrast, projects submitted by eligible countries are reviewed and approved on their economic and financial merits within the funds made available by Congress. *Economic, technical, and other assistance* includes special assistance, contingency funds, technical cooperation, and contributions to the United Nations and other international agencies for voluntary multilateral programs.

From 1957 and 1958 appropriations, about $456 million is being used to pay for surplus agricultural commodities which are sold in the recipient countries. Local currency proceeds from these and other defense support commodities are used for local requirements of the mutual security program such as troop support and economic development.

Substantial unexpended balances are required because of the time necessary for the procurement and delivery of equipment and for implementing complex economic projects. A steady decline in unexpended balances for military assistance over the past several years has been partially offset by an increase for other portions of the program. The development loan fund, in particular, because it is designed to finance long-range development, will tend to accumulate unexpended balances.

Although the 1958 appropriation represents a substantial decrease from the 1957 level, the unobligated balances of approximately $761 million continued available in 1958 resulted in a much smaller decrease in the actual program obligation level.

Appropriations required in 1959 to finance the mutual security program under existing and proposed legislation appear later in this chapter.

Current authorizations:

[For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended, to remain available until June 30, 1958 unless otherwise specified herein, as follows:]

MILITARY ASSISTANCE

[Military assistance: For assistance authorized by section 103 (a) to carry out the purposes of title I, chapter 1 (including administrative expenses as authorized by section 103 (b), which shall not exceed $23,500,000 for the fiscal year 1958), $1,340,000,000, to remain available until December 31, 1958; and in addition not to exceed $538,800,000 of unobligated and unreserved balances of funds heretofore made available for purposes of section 103 (a) and section 104 are continued available until December 31, 1958 for the purposes of section 103 (a);] (*Mutual Security Appropriation Act, 1958.*)

Appropriated 1958, **$1,340,000,000**

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[MUTUAL SECURITY]—Continued

Current authorizations—Continued

MILITARY ASSISTANCE—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grant aid operations:			
1. Deliveries of materiel common to United States requirements ordered from:			
(a) Army	$418,539,272	$501,400,000	$405,898,000
(b) Navy	74,745,706	80,000,000	79,500,000
(c) Air Force	717,938,992	714,500,000	542,300,000
2. Other materiel programs:			
(a) Offshore procurement	178,422,570	60,016,000	
(b) Navy shipbuilding in the United States	73,846,280	34,400,000	
(c) Direct procurement in the United States	206,829,622	19,375,000	
3. Supply operations	169,976,617	166,578,000	
4. Training	61,818,733	71,006,000	
5. Administration	22,045,247	23,500,000	
6. Contributions to international military headquarters and agencies	5,367,568	6,561,000	
7. Contributions to construction of facilities in other countries:			
(a) Infrastructure	57,755,704	75,000,000	
(b) Military public works	66,617,167	57,339,000	
8. Research and development	36,802,235	39,766,000	
9. Other activities	34,434,241	33,403,000	
Total, grant aid operations	2,125,139,954	1,882,844,000	1,027,698,000
Reimbursable military sales operations:			
1. Deliveries of materiel common to United States requirements under mutual security military sales ordered from:			
(a) Army			26,800,000
(b) Navy			10,500,000
(c) Air Force			27,700,000
Total, reimbursable military sales operations			65,000,000
Total obligations	2,125,139,954	1,882,844,000	1,092,698,000
Financing:			
Comparative transfers from (−) other accounts	−62,250		
Balance brought forward:			
Unobligated and unreserved	−195,500,000	−538,800,000	−25,000,000
Reserved (69 Stat. 438)	−2,642,320,203	−2,251,611,737	−2,268,889,737
Recovery of prior year obligations	−74,345,227	−76,322,000	
Balance carried forward:			
Unobligated and unreserved	538,800,000	25,000,000	
Reserved (69 Stat. 438)	2,251,611,737	2,298,889,737	1,206,191,737
Unobligated balance transferred to "Military assistance" shown under "Proposed for later transmission" (see below)			25,000,000
Unobligated and unreserved balance no longer available	14,175,989		
Appropriation (new obligational authority)	2,017,500,000	1,340,000,000	

The military assistance program is designed to increase the mutual security of the free world by contributing to the development, maintenance, and training of modern military forces, which deter external aggression, lessen the chances of internal subversion, and protect valuable oversea bases. Forty-five foreign countries are receiving grant aid under the military assistance program, and many other countries are eligible to buy modern military equipment on liberal credit terms. Many of these countries have joined with the United States in regional and bilateral defense arrangements, such as the North Atlantic Treaty Organization and the Southeast Asia Treaty Organization, which are basic to this Nation's security.

Foreign forces supported by the program are numerically much greater than the United States Armed Forces, and provide striking power, depth in reserves, and flexibility which this Nation's forces alone cannot provide. Because it is imperative that these forces keep pace with rapid changes in weapon technology, missiles and other advanced weapons are being increasingly emphasized, commensurate with their supply availability, allies' technical capabilities, and the nature of the threat.

Functionally, the military assistance program consists of: (1) military materiel and supplies for the buildup, maintenance, and modernization of allied forces; (2) training and advisory services to allied military personnel; (3) the U. S. contribution to jointly financed international military facilities and activities, especially in the NATO area; (4) assistance to allies in the research and development of advanced weapons; and (5) operating and administrative expenses.

Grant aid operations—1 *Common item orders.*—A large percentage of materiel is procured through orders placed in the military services for common procurement with similar items in the service programs. Such orders constitute a reservation of funds, from which the service is entitled to reimbursement upon delivery of the items ordered. The obligations estimated for 1959 represent only reimbursements to the military services for deliveries made and not the funds reserved under this program. A schedule relating "reservations" to the appropriations of the military services appears at the end of the Department of Defense—Military Functions chapter.

2. *Other materiel programs—(a) Offshore procurement.*—Through 1957, the United States placed orders abroad for approximately $2.8 billion of military assistance requirements. This program assists in building a defense production base abroad.

(*b*) *Navy shipbuilding in the United States.*—Due to special restrictions applying to Navy ship construction, this element of the overall materiel program is accounted for separately. The program has decreased from the 1957 level because the buildup phase is nearing completion and because of a proposed shift in emphasis from new construction to ship loans.

(*c*) *Direct procurement in the United States.*—Included are supplies and military hardware of a type not used by the U. S. military services. The reduction from the 1957 level is due to a change in accounting definitions; in 1957, civilian-type supplies such as fuel, uniform material, and medicines were included in this activity, but beginning in 1958, these items are included in common item orders.

3. *Supply operations.*—Included are packing, handling, and transportation costs, and the cost of repairing and rehabilitating excess equipment either ordered from the military services or scheduled for redistribution from one country to another.

4. *Training.*—Only by modern, efficient, and intensive training can the materiel supplied under military assistance be effectively utilized. With the increasing utilization of complex electronics and missiles in the program, requirements for additional and specialized training increase concurrently.

5. *Administration.*—The administrative expenses of the military assistance advisory groups and the departmental costs of the program are included.

6. *Contributions to international military headquarters and agencies.*—Included are the assessments levied against the United States in accordance with cost-sharing agreements for support of NATO and SEATO.

7. *Contributions to construction of facilities in other countries.*—Construction of military and logistical facilities under the jointly financed NATO infrastructure program and military construction in certain non-NATO countries are continuing requirements.

8. *Research and development.*—This program is intended to accelerate research and development by our allies of

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advanced weapons and to combine U. S. weapon technology with their productive capability.

9. *Other activities.*—These include support for UN forces in Korea and nutrition surveys.

Reimbursable military sales operations.—Under section 103 (c) of the Mutual Security Act, repayment made within 3 years for military assistance sales, not to exceed $175 million, can be credited to current appropriations and shall be available until expended. The common item order reservation procedures apply to these transactions.

Object Classification

	1957 actual	1958 estimate	1959 estimate
OFFICE OF THE SECRETARY OF DEFENSE			
Total number of permanent positions	211	205	
Full-time equivalent of all other positions	4	4	
Average number of all employees	202	204	
Number of employees at end of year	203	197	
Average GS grade and salary	8.3 $6,307	8.3 $6,321	
Personal services:			
Permanent positions	$1,300,672	$1,337,515	
Positions other than permanent	46,781	59,300	
Other personal services	150,153	176,685	
Total personal services	1,497,606	1,573,500	
02 Travel	287,209	318,500	
03 Transportation of things	19,040	14,400	
04 Communication services	37,196	42,000	
05 Rents and utility services	240		
06 Printing and reproduction	15,007	17,000	
07 Other contractual services	36,355,991	38,514,200	
08 Supplies and materials	15,944	22,100	
09 Equipment	48,804	26,000	
11 Grants, subsidies, and contributions	62,504,704	80,851,400	
13 Refunds, awards, and indemnities	3,000	4,400	
15 Taxes and assessments	1,076	1,500	
Total, Office of the Secretary of Defense	100,785,817	121,385,000	
DEPARTMENT OF THE ARMY			
Total number of permanent positions	2,787	3,065	
Average number of all employees	2,469	3,004	
Number of employees at end of year	2,590	2,874	
Average GS grade and salary	7.6 $5,428	7.6 $5,449	
01 Personal services:			
Permanent positions	$8,011,348	$10,873,553	
Other personal services	5,137,447	5,604,809	
Total personal services	13,148,795	16,478,362	
02 Travel	14,250,553	15,606,968	
03 Transportation of things	48,928,109	60,862,806	
04 Communication services	49,214	72,985	
05 Rents and utility services	335,724	223,520	
06 Printing and reproduction	17,440	45,690	
07 Other contractual services	19,340,322	28,310,416	
Services performed by other agencies	18,075,568	21,500,000	
08 Supplies and materials	482,708,596	283,476,217	$185,368,000
09 Equipment	248,332,759	296,167,775	247,330,000
10 Lands and structures	53,042,466	47,485,216	
11 Grants, subsidies, and contributions	7,266	589,845	
13 Refunds, awards, and indemnities	4,299	11,600	
15 Taxes and assessments	4,431	9,600	
16 Investments and loans	10,098,869		
Total, Department of the Army	908,344,411	770,841,000	432,698,000
DEPARTMENT OF THE NAVY			
Total number of permanent positions	1,912	2,008	
Average number of all employees	1,863	1,893	
Number of employees at end of year	1,728	1,975	
Average GS grade and salary	5.2 $4,130	5.2 $4,160	
01 Personal services:			
Permanent positions	$6,232,190	$6,125,060	
Other personal services	1,038,016	938,303	
Total personal services	7,270,206	7,063,363	
02 Travel	5,260,222	5,283,125	
03 Transportation of things	3,178,955	3,397,800	
04 Communication services	30,219	52,095	
05 Rents and utility services	80,143	118,705	
06 Printing and reproduction	12,354	14,920	
07 Other contractual services	6,543,269	11,654,882	
08 Supplies and materials	55,653,425	48,521,171	$28,340,784
09 Equipment	158,070,089	103,754,969	61,659,216
10 Lands and structures	243,953		
11 Grants, subsidies, and contributions	1,460	226,860	
15 Taxes and assessments	2,575	3,110	
Total, Department of the Navy	236,346,870	180,091,000	90,000,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
Total number of permanent positions	487	423	
Average number of all employees	419	397	
Number of employees at end of year	416	378	
Average GS grade and salary	8.5 $5,669	8.3 $5,896	
Average ungraded salary	$1,150	$942	
01 Personal services:			
Permanent positions	$2,159,056	$2,104,391	
Other personal services	709,281	1,044,807	
Total personal services	2,868,337	3,149,198	
02 Travel	6,396,613	7,721,508	
03 Transportation of things	31,283,887	19,551,212	
04 Communication services	3,500	3,700	
05 Rents and utility services	4,334	6,100	
06 Printing and reproduction	21,820	29,200	
07 Other contractual services	75,889,399	56,688,131	
08 Supplies and materials	150,301,790	138,693,108	$114,000,000
09 Equipment	600,116,623	576,063,500	456,000,000
11 Grants, subsidies, and contributions		133,314	
13 Refunds, awards, and indemnities	2,510	2,500	
15 Taxes and assessments	2,406	1,529	
Total, Department of the Air Force	866,891,219	802,043,000	570,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	675	711	
Full-time equivalent of all other positions	2	4	
Average number of all employees	601	668	
Number of employees at end of year	624	677	
Average FSS grade and salary	6.5 $7,103	6.5 $7,103	
Average FSR grade and salary	1.8 $14,300	1.8 $14,300	
Average ungraded salary	$1,442	$1,584	
01 Personal services:			
Permanent positions	$999,216	$1,243,129	
Positions other than permanent	2,697	5,240	
Other personal services	111,708	108,792	
Total personal services	1,113,619	1,357,161	
02 Travel	102,085	102,700	
03 Transportation of things	153,596	146,500	
04 Communication services	171,796	157,800	
05 Rents and utility services	904,325	928,300	
06 Printing and reproduction	4,236	4,400	
07 Other contractual services	501,436	520,400	
Services performed by other agencies	3,568,697	3,791,200	
08 Supplies and materials	359,994	308,600	
09 Equipment	491,067	343,400	
11 Grants, subsidies, and contributions	4,700,566	822,739	
15 Taxes and assessments	220	800	
16 Investments and loans	700,000		
Total, allocation accounts	12,771,637	8,484,000	
Total obligations	2,125,139,954	1,882,844,000	$1,092,698,000
Obligations are distributed as follows:			
Department of Defense:			
Office of the Secretary of Defense	$190,785,817	$121,385,000	
Department of the Army	908,344,411	770,841,000	$432,698,000
Department of the Navy	236,346,870	180,091,000	90,000,000
Department of the Air Force	866,891,219	802,043,000	570,000,000
Department of State	6,657,090	6,779,000	
International Cooperation Administration	5,414,547	1,705,000	
Export-Import Bank of Washington	700,000		

Informational Foreign Currency Schedule

Foreign Currency, Military Assistance

[All amounts are stated in U. S. dollar equivalents computed at rates of exchange as of June 30, 1957, except for balances brought forward from 1956]

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Offshore procurement:			
Sec. 502, Mutual Security Act of 1954	$18,094,099	$3,491,590	
Sec. 402, Mutual Security Act of 1954	5,722,357	51,749,457	$54,700,680
Agricultural Trade Development and Assistance Act of 1954	15,256,260	68,358,000	13,912,000
Total obligations	39,072,716	123,599,047	68,612,680
Financing:			
Unobligated balance brought forward	−45,161,046	−105,288,113	−126,279,346
Unobligated balance transferred from "Foreign currency, economic, technical, and other assistance"	−14,179,025	−22,455,229	
Unobligated balance carried forward	105,288,113	126,279,346	57,666,666
New obligational authority	85,020,758	122,045,051	

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[MUTUAL SECURITY]—Continued

Current authorizations—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued

Foreign Currency, Military Assistance—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
New obligational authority:			
Authorizations to expend foreign currency receipts from the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454)	$83,083,831	$67,038,195	
Transferred from "Foreign currency, economic, technical, and other assistance" (68 Stat. 843)	1,936,927	55,006,856	
Authorization to expend foreign currency receipts (adjusted)	85,020,758	122,045,051	

Offshore procurement.—Foreign currencies of approximately 13 countries are used for military materiel and services procured abroad for the mutual defense of the United States and friendly nations. The currencies available under sections 502 and 402 of the Mutual Security Act are transferred from the consolidated foreign currency schedule under "Economic, technical, and other assistance" below. Other currencies, generated by the sale of agricultural surplus commodities under the Agricultural Trade Development and Assistance Act of 1954, are allocated to the Department of Defense for this activity.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$15,256,260	$68,358,000	$13,912,000
08 Supplies and materials	5,000,000		
09 Equipment	18,816,456	55,151,047	54,700,680
Total obligations	39,072,716	123,509,047	68,612,680

Expenditure Analysis

Obligated balance brought forward	$27,320,765	$28,823,384	$52,285,431
Obligated balance transferred from "Foreign currency, economic, technical and other assistance" (68 Stat. 843)	1,083,535		
Obligations incurred	39,072,716	123,509,047	68,612,680
Obligated balance carried forward	−28,823,384	−52,285,431	−64,884,543
Expenditures	38,653,632	100,047,000	56,013,568
Expenditures are distributed as follows:			
Sec. 502, Mutual Security Act of 1954	$19,081,235	$17,439,000	$2,967,111
Sec. 402, Mutual Security Act of 1954	6,483,818	18,828,000	43,087,457
Agricultural Trade Development and Assistance Act, 1954	13,088,579	63,780,000	9,959,000

DEFENSE SUPPORT

[Defense support: For assistance authorized by section 131 (b), $689,000,000; and in addition $36,000,000 of unobligated balances of funds heretofore made available for purposes of section 131 are continued available for the purposes of that section: *Provided*, That not less than $40,000,000 thereof shall be available for Spain, exclusive of technical cooperation;] (*Mutual Security Appropriation Act, 1958.*)

Appropriated 1958, **$689,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Defense support:			
(*a*) Europe and Africa	$105,174,164	$79,200,000	
(*b*) Near East and South Asia	243,730,685	165,800,000	
(*c*) Far East	819,782,867	565,000,000	
Total obligations	1,168,687,716	810,000,000	

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers from (−) other accounts	−$22,173,491		
Unobligated balance brought forward (annual appropriation acts)		−$36,000,000	
Recovery of prior year obligations	−90,926,612	−85,000,000	
Unobligated balance carried forward (annual appropriation acts)	36,000,000		
Unobligated balance no longer available	18,112,387		
Appropriation (new obligational authority)	1,109,700,000	689,000,000	

Defense support is economic assistance designed primarily to enable a country to raise and support military forces for the common defense without reducing already low living standards. In general, the level of defense support is intended to be sufficient to prevent economic retrogression, political instability, deterioration of morale or other conditions which might adversely affect the military effort.

Defense support contributes to the current requirements of food, fertilizers, industrial raw materials, fuels, and essential machinery of countries supporting military forces beyond their economic capabilities. Defense support also contributes to internal price stability and the foreign exchange position of the recipients. Commodities are normally sold in commercial markets for local currency which in turn is utilized for military budget support and for essential economic projects. Approximately one-fourth of the defense support program has been surplus agricultural commodities.

(*a*) *Europe and Africa.*—Defense support is provided to Spain, Morocco, Libya, and Ethiopia, all of which have granted the United States base rights of strategic importance.

(*b*) *Near East and South Asia.*—The continuation of tensions, the further evidence of Soviet imperialistic designs, and the strategic and economic importance of the area provide a strong case for effective defensive forces and economic stability. Greece, Turkey, Iran, and Pakistan, all involved in regional defense pacts with the United States, are receiving assistance in 1958.

(*c*) *Far East.*—A large proportion of defense support is allocated to seven Far East countries—Korea, Taiwan, Vietnam, Cambodia, Laos, Thailand, and the Philippines—which maintain military establishments beyond their own unaided capabilities. These forces provide an important deterrent to Communist aggression around the Pacific rim.

Object Classification

	1957 actual	1958 estimate	1959 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions	734	706	
Average number of all employees	643	667	
Number of employees at end of year	645	687	
Average grade and salary, established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158):			
Average FSR grade and salary	2.2 $12,566	2.2 $12,637	
Average FSS grade and salary	6.1 $7,492	6.0 $7,586	
Average salary of ungraded positions	$1,629	$1,630	
01 Personal services:			
Permanent positions	$3,125,319	$3,242,000	
Positions other than permanent	21,913	25,000	
Other personal services	1,263,927	1,310,600	
Total personal services	4,411,159	4,577,600	

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
INTERNATIONAL COOPERATION ADMINISTRATION—continued			
02 Travel	$1,628,218	$1,700,000	
03 Transportation of things	29,536,368	29,500,000	
04 Communication services	13,185	15,000	
05 Rents and utility services	125,326	125,000	
06 Printing and reproduction	12,360	15,000	
07 Other contractual services	25,980,775	26,000,000	
Services performed by other agencies	798,969	800,000	
08 Supplies and materials	463,526,255	347,663,700	
09 Equipment	291,478,064	229,600,000	
11 Grants, subsidies, and contributions	208,165,980	150,000,000	
13 Refunds, awards, and indemnities	1,155	1,200	
15 Taxes and assessments	2,489	2,500	
16 Investments and loans	137,677,485	20,000,000	
Total, International Cooperation Administration	1,163,357,788	810,000,000	
ALLOCATION ACCOUNTS			
Total number of permanent positions	151	98	
Full-time equivalent of all other positions	2	1	
Average number of all employees	165	194	
Number of employees at end of year	134	93	
Average GS grade and salary	8.5 $5,953	8.4 $6,056	
Average ICA grade and salary, established by the Director, International Cooperation Administration (68 Stat. 833)	5.3 $8,853	5.1 $9,401	
01 Personal services:			
Permanent positions	$1,044,819	$1,220,540	
Positions other than permanent	14,680	9,400	
Other personal services	112,893	102,663	
Total personal services	1,172,392	1,332,603	
02 Travel	196,635	109,300	
03 Transportation of things	2,316,363	3,528,801	
04 Communication services	4,676	2,200	
05 Rents and utility services	4,424		
06 Printing and reproduction	1,524		
07 Other contractual services	1,878,606	309,965	
Services performed by other agencies	36,697	15,000	
08 Supplies and materials	78,898,384	96,707,533	
09 Equipment	21,229,496	30,583,143	
11 Grants, subsidies, and contributions	988,344	1,336,602	
13 Refunds, awards, and indemnities	700	500	
15 Taxes and assessments	1,638	1,000	
Subtotal	106,729,879	133,926,647	
Deduct portion of foregoing obligations originally charged to other object classes under International Cooperation Administration:			
Department of Agriculture	687,640	628,200	
Department of the Army	51,349,737	71,437,948	
Corps of Engineers, Civil	12,941	12,222	
Department of Commerce	11,230,547	18,585,700	
Federal Communications Commission	2,057		
General Services Administration	32,849,786	38,000,000	
Department of Health, Education, and Welfare	259,797	305,000	
Housing and Home Finance Agency	12,750	21,500	
Department of the Interior	285,718	183,267	
Department of Labor	382,140	400,000	
Department of the Navy	4,326,838	4,352,810	
Subtotal	101,399,951	133,926,647	
Total, allocation accounts	5,329,928		
Total obligations	1,168,687,716	810,000,000	
Obligations are distributed as follows:			
International Cooperation Administration	$1,163,357,788	$810,000,000	
Department of the Army	5,329,928		

Informational Foreign Currency Schedule

Foreign Currency, Defense Support

[All amounts are stated in U. S. dollar equivalents computed at rates of exchange as of June 30, 1957, except for balances brought forward from 1956]

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Defense support:			
Sec. 502, Mutual Security Act of 1954	$20,174,945	$11,924,127	$4,865,000
Sec. 402, Mutual Security Act of 1954	287,978,876	242,524,418	125,481,575
Agricultural Trade Development Assistance Act of 1954		42,723,334	21,413,265
Total obligations	308,153,821	297,171,879	151,759,840
Financing:			
Unobligated balance brought forward	−$63,600,139	−$117,888,578	−$99,151,472
Unobligated balance transferred from "Foreign currency, economic, technical and other assistance" (67 Stat. 159)			−4,865,000
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent	−17,905,724		
Balance carried forward	117,888,578	99,151,472	23,119,511
New obligational authority	344,536,536	278,434,773	70,862,879
New obligational authority:			
Authorization to expend foreign currency receipts from the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454)		$61,033,334	$12,280,379
Transferred from "Foreign currency, economic, technical, and other assistance" (68 Stat. 843)	$344,536,536	217,401,439	58,582,500
Authorization to expend foreign currency receipts (adjusted)	344,536,536	278,434,773	70,862,879

Foreign currencies of approximately 14 countries are available for defense support purposes under the acts as cited below.

Mutual Security Act of 1954.—The currencies available under sections 502 and 402 of this act are transferred from the consolidated foreign currency schedule under "Economic, technical, and other assistance," below.

Agricultural Trade Development and Assistance Act of 1954.—Foreign currencies, generated by the sale of agricultural surplus commodities under this act are allocated to the International Cooperation Administration to finance the purchase abroad of goods and services for other friendly countries, to promote balanced economic development and trade among nations, and to promote multilateral trade and economic development.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$262,335,218	$255,288,967	$141,759,840
16 Investments and loans	45,818,603	41,882,912	10,000,000
Total obligations	308,153,821	297,171,879	151,759,840

Expenditure Analysis

Obligated balance brought forward	$35,397,729	$44,001,274	$53,840,369
Obligations incurred	308,153,821	297,171,879	151,759,840
Obligated balance carried forward	−44,001,274	−53,840,369	−28,990,175
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	79,289		
Expenditures	299,629,565	287,332,784	176,610,034
Expenditures are distributed as follows:			
Sec. 502, Mutual Security Act of 1954	$20,190,071	$11,924,127	$4,865,000
Sec. 402, Mutual Security Act of 1954	279,439,494	238,788,657	149,728,806
Agricultural Trade Development and Assistance Act		36,620,000	22,016,228

Economic, Technical, and Other Assistance

[Development assistance: Not to exceed $52,000,000 of unobligated balances of funds heretofore made available for purposes of development assistance are hereby continued available for the purposes for which originally appropriated;]

[Technical cooperation, general authorization: For assistance authorized by section 304, $113,000,000; and in addition not to exceed $12,000,000 of unobligated balances of funds heretofore made available for purposes of section 304 are continued available for the purposes of that section;]

[United Nations expanded program of technical assistance: For contributions authorized by section 306 (a), $15,500,000;]

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[MUTUAL SECURITY]—Continued

Current authorizations—Continued

ECONOMIC, TECHNICAL, AND OTHER ASSISTANCE—Continued

[Technical cooperation programs of the Organization of American States: For contributions authorized by section 306 (b), $1,500,000;]

[Special assistance, general authorization: For assistance authorized by section 400 (a), $225,000,000: *Provided*, That not less than $10,000,000 shall be available for Guatemala;]

[Special assistance in joint control areas in Europe: For assistance authorized by section 403, $11,500,000 which shall remain available until September 30, 1958;]

[Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), $12,500,000: *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere;]

[United Nations Refugee Fund: For contributions authorized by section 405 (c), $2,233,000;]

[Escapee program: For assistance authorized by section 405 (d), $5,500,000;]

[United Nations Children's Fund: For contributions authorized by section 406, $11,000,000;]

[United Nations Relief and Works Agency: Not to exceed $23,800,000 of unobligated balances of funds heretofore made available for purposes of section 407 are continued available for purposes of that section;]

[North Atlantic Treaty Organization: For contributions for the construction of the North Atlantic Treaty Organization civilian headquarters as authorized by section 408, $1,500,000;]

[Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409 (c), $2,200,000;]

[Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, $1,000,000;]

[General administrative expenses: For expenses authorized by section 411 (b), $32,750,000;]

[Atoms for Peace: Not to exceed $4,450,000 of unobligated balances of funds heretofore made available for purposes of section 12 of the Mutual Security Act of 1956 are hereby continued available for the purposes of section 419;] (*Mutual Security Appropriation Act, 1958.*)

Appropriated 1958, **$435,183,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Development assistance:			
(a) Europe and Africa	$45,580,000		
(b) Near East and South Asia	167,384,078	$34,000,000	
(c) Far East	4,717,500	27,000,000	
(d) Latin America	50,402,569	3,000,000	
2. Technical cooperation:			
(a) General	131,149,769	138,314,993	
(b) United Nations	15,500,000	15,500,000	
(c) Organization of American States	1,500,000	1,500,000	
3. Special assistance:			
(a) Europe and Africa		18,200,000	
(b) Near East and South Asia		42,300,000	
(c) Far East		9,000,000	
(d) Latin America		30,000,000	
(e) Nonregional		25,050,000	
(f) Undistributed		100,450,000	
4. Other programs:			
(a) Special Presidential fund	33,357,437	3,000,000	
(b) Joint control areas in Europe	12,108,776	11,500,000	
(c) Migrants, refugees, and escapee program	52,874,889	20,233,000	
(d) United Nations children's fund	10,000,000	11,000,000	
(e) United Nations Relief and Works Agency	21,500,000	19,872,000	
(f) Ocean freight charges, United States voluntary relief agencies	2,040,475	2,200,000	
(g) North Atlantic Treaty Organization (civilian Headquarters)		1,500,000	
(h) Control Act expenses	1,115,095	1,000,000	
(i) Administrative expenses (other than military assistance)	29,739,573	32,750,000	
(j) Atoms for peace	1,050,000	4,450,000	
(k) President's fund for Asian economic development	1,972,884	93,765,421	
(l) Special programs	2,766,757	118,537	
Total obligations	584,759,802	645,703,951	

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$26,811,745		
Unobligated balance brought forward:			
Annual appropriation acts	−45,300,000	−$92,250,000	−$3,928,000
Other legislative authority:			
Appropriation	−97,168,576	−97,080,414	
Authorization to expend from debt receipts	−132,294	−118,537	
Recovery of prior year obligations	−36,893,378	−25,000,000	
Unobligated balance carried forward:			
Annual appropriation acts	92,250,000	3,928,000	
Other legislative authority:			
Appropriation	97,080,414		
Authorization to expend from debt receipts	118,537		
Unobligated balance transferred to "Other mutual security programs" shown under "Proposed for later transmission" (see below)			3,928,000
Unobligated balance no longer available	17,843,750		
Appropriation (new obligational authority)	639,370,000	435,183,000	

1. *Development assistance.*—This assistance is designed to promote economic development and to contribute to economic and political stability in countries not receiving military assistance. Beginning in 1958, requirements of this type are either classified as "3. Special assistance" or covered under the development loan fund, with one exception: development assistance programed in 1957, but not implemented, has been extended into 1958. No funds are being requested in 1959.

2. *Technical cooperation.*—This program provides for the interchange of knowledge, experience, techniques, and skills with the people of the less-developed areas of the world to help them carry out their economic development and strengthen their freedom. Teaching, training, and exchange of information are carried out in such fields as industry, mining, agriculture, labor, education, health, sanitation, public administration, transportation, and community development. Supplies and equipment are provided only to the extent necessary to support effective teaching and demonstration. Aid is provided bilaterally, in programs administered by the International Cooperation Administration, and multilaterally, by contribution to the technical assistance program of the Organization of American States and to the United Nations expanded technical assistance program. The bilateral programs are coordinated with the multilateral to achieve balanced country and regional programs and prevent duplication of effort.

3. *Special assistance.*—This is a new category of assistance created by the Mutual Security Act of 1957. It is intended to provide (1) assistance which may not meet the criteria of defense support or the development loan fund; and (2) a reserve fund for economic, political, and military contingencies. Assistance of the first type mentioned is programed for specific countries such as Tunisia, Jordan, Israel, Bolivia, and Guatemala or for specific activities such as malaria eradication and Hungarian refugees.

4. *Other programs.*—Several miscellaneous activities are authorized by the Mutual Security Act. Contributions for refugee and migrant programs are made to the Intergovernmental Committee for European Migration, United Nations Refugee Fund, and the United Nations Work and Relief Agency. An escapee program, conducted under U. S. auspices, provides care and maintenance for refugees

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from Iron Curtain countries. The United States contributions to the United Nations Children's Fund are included. Ocean freight is paid for supplies shipped abroad by nonprofit relief agencies. Administrative expenses of nonmilitary mutual security programs and for control of East-West trade are provided. The atoms-for-peace program, undertaken in 1957, is continued. Funds appropriated in 1956 are still available for Asian regional economic development projects.

Loans.—The International Cooperation Administration and predecessor agencies have been authorized, by several laws, to make loans to friendly nations. Those made from the development loan fund and under authority of the Agricultural Trade and Development Assistance Act are shown in schedules elsewhere in the budget.

The following table reflects the loans made from current mutual security obligational authority and related foreign currencies in millions of dollars and dollar equivalents:

	1957 actual	*1958 estimate*	*1959 estimate*
Loan obligations incurred:			
United States currency	234	103	---
Foreign currency	89	---	---
Loan disbursements made:			
United States currency	51	220	125
Foreign currency	43	80	30
Loan principal repayments (U. S. currency)	16	24	34
Interest collections:			
United States currency	41	42	41
Foreign currency	---	---	6

These loans are usually in the form of a line of credit, extended as a part of the aid program for a country. Procurement authorizations or project agreements constitute the obligations; payments against those obligations are considered to be loan disbursements under the agreements.

The status of the loans at the end of the respective fiscal years is:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Loans outstanding	1,872	1,950	2,226	2,347
Interest past due	1	2	4	7
Undisbursed loan obligations	214	443	246	91
Unobligated authority	50	50	-----	-----

Object Classification

	1957 actual	1958 estimate	1959 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions	8,904	9,864	----------
Average number of all employees	7,516	8,485	----------
Number of employees at end of year	8,000	8,912	----------
Average GS grade and salary	8.8 $6,563	8.8 $6,607	----------
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158):			
Foreign Service reserve	2.7 $11,807	2.6 $11,900	----------
Foreign Service staff	5.2 $8,095	5.4 $8,008	----------
Average salary of ungraded positions	$1,150	$1,170	----------
01 Personal services:			
Permanent positions	$38,377,947	$43,650,750	----------
Positions other than permanent	260,391	268,500	----------
Other personal services	8,586,263	9,754,650	----------
Total personal services	47,224,601	53,673,900	----------
02 Travel	9,227,935	9,300,000	----------
03 Transportation of things	6,647,395	7,700,000	----------
04 Communication services	727,215	735,000	----------
05 Rents and utility services	2,603,402	3,000,000	----------
06 Printing and reproduction	534,128	558,900	----------
07 Other contractual services	38,202,550	39,000,000	----------
Services performed by other agencies	10,928,565	11,000,000	----------
08 Supplies and materials	60,297,812	62,000,000	----------
09 Equipment	30,367,579	32,000,000	----------
10 Lands and structures	3,213	----------	----------
11 Grants, subsidies, and contributions	130,548,539	245,350,051	----------
13 Refunds, awards, and indemnities	10,919	9,600	----------
15 Taxes and assessments	39,157	35,000	----------
16 Investments and loans	115,693,929	83,000,000	----------
Unvouchered	21,604	29,000	----------
Total, International Cooperation Administration	453,078,543	547,391,451	----------
ALLOCATION ACCOUNTS			
Total number of permanent positions	1,120	1,253	----------
Full-time equivalent of all other positions	48	66	----------
Average number of all employees	1,032	1,260	----------
Number of employees at end of year	1,024	1,190	----------

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
Average GS grade and salary	8.0 $6,030	8.0 $6,017	----------
Average grade and salary, established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158):			
Average FSO grade and salary	5.0 $8,375	5.0 $8,560	----------
Average FSR grade and salary	1.0 $15,400	1.0 $15,800	----------
Average FSS grade and salary	7.8 $6,564	7.8 $6,592	----------
Average ICA grade and salary, established by the Director, International Cooperation Administration (68 Stat. 833)	5.3 $9,195	5.3 $9,180	----------
Average salary, grades established by act of July 1, 1944 (42 U. S. C. 207)	$9,833	$9,868	----------
Average salary of ungraded positions	$1,759	$1,760	----------
01 Personal services:			
Permanent positions	$6,544,705	$8,050,936	----------
Positions other than permanent	312,800	446,725	----------
Other personal services	668,319	825,342	----------
Total personal services	7,525,824	9,323,003	----------
02 Travel	974,398	1,302,984	----------
03 Transportation of things	7,722,550	8,602,273	----------
04 Communication services	79,561	113,995	----------
05 Rents and utility services	17,248	30,220	----------
06 Printing and reproduction	54,806	62,084	----------
07 Other contractual services	2,191,462	1,718,954	----------
Services performed by other agencies	1,423,572	2,200,214	----------
08 Supplies and materials	32,377,220	32,460,311	----------
09 Equipment	6,531,108	7,952,557	----------
11 Grants, subsidies, and contributions	106,641,440	104,395,996	----------
13 Refunds, awards, and indemnities	1,116	195	----------
15 Taxes and assessments	21,570	21,514	----------
16 Investments and loans	30,000,000	----------	----------
Unvouchered	----------	----------	----------
Subtotal	195,561,875	168,184,300	----------
Deduct—			
Quarters and subsistence charges	642	600	----------
Portion of foregoing obligations originally charged to other object classes under International Cooperation Administration:			
Department of Agriculture	16,003,090	16,014,111	----------
Department of the Army	14,631,120	10,495,181	----------
Department of Commerce	7,873,492	14,919,900	----------
Corps of Engineers, Civil	31,822	75,890	----------
Farm Credit Administration	16,085	24,000	----------
Federal Communications Commission	41,426	66,450	----------
General Services Administration	13,762,161	16,000,000	----------
Department of Health, Education, and Welfare	5,901,428	6,868,505	----------
Housing and Home Finance Agency	226,454	252,500	----------
Department of the Interior	2,440,676	2,320,401	----------
Department of Labor	2,300,663	2,539,700	----------
Department of the Navy	651,647	294,562	----------
Subtotal	63,880,616	69,871,800	----------
Total, allocation accounts	131,681,259	98,312,500	----------
Total obligations	584,759,802	645,703,951	----------
Obligations are distributed as follows:			
International Cooperation Administration	$453,078,543	$547,391,451	----------
Atomic Energy Commission	1,050,000	4,450,000	----------
Department of Commerce	207,255	145,000	----------
President's Citizens Advisers on the Mutual Security Program	42,437	----------	----------
Export-Import Bank of Washington	30,000,000	----------	----------
Department of State	100,381,567	93,717,500	----------

Informational Foreign Currency Schedule

Foreign Currency, Economic, Technical, and Other Assistance

[All amounts are stated in United States dollar equivalents computed at rates of exchange as of June 30, 1957, except for balances brought forward from 1956]

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Development assistance:			
Sec. 502, Mutual Security Act of 1954	----------	$1,399,869	----------
Sec. 402, Mutual Security Act of 1954	$20,915,361	20,000,000	$20,686,557
Sec. 505 (a), Mutual Security Act of 1954	1,100,000	----------	----------
Agricultural Trade Development and Assistance Act of 1954	103,694,905	374,704,704	427,411,412
2. Technical cooperation: Sec. 502, Mutual Security Act of 1954	943,650	130,990	----------
3. Special assistance: Sec. 402, Mutual Security Act of 1954	----------	7,000,000	3,000,000

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[MUTUAL SECURITY]—Continued

Current authorizations—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued

Foreign Currency, Economic, Technical, and Other Assistance—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
4. Other programs:			
Sec. 502, Mutual Security Act of 1954	$71,357	$128,901	
Sec. 402, Mutual Security Act of 1954	15,278,121	10,567,702	$11,374,564
Total obligations	142,003,394	413,932,166	462,472,533
Financing:			
Unobligated balance brought forward	−40,594,446	−98,514,345	−203,020,433
Unobligated balance transferred to—			
"Foreign currency, military assistance" (67 Stat. 159, 68 Stat. 843)	14,179,025	22,455,229	
"Foreign currency, defense support" (67 Stat. 159)			4,865,000
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−1,626,507		
Unobligated balance carried forward	98,514,345	203,020,433	206,550,400
New obligational authority	212,475,811	540,893,483	470,867,500
New obligational authority:			
Authorization to expend foreign currency receipts:			
Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454)	$125,022,811	$502,528,523	$450,000,000
Sec. 502, Mutual Security Act of 1954	389,099		
Sec. 402, Mutual Security Act of 1954	433,537,364	310,773,255	79,450,000
Transferred to—			
"Foreign currency, military assistance" (68 Stat. 843)	−1,936,927	−55,006,856	
"Foreign currency, defense support" (68 Stat. 843)	−344,536,536	−217,401,439	−58,582,500
Authorization to expend foreign currency receipts (adjusted)	212,475,811	540,893,483	470,867,500

Foreign currencies of approximately 44 countries are available for economic, technical, and other assistance under the acts as cited below.

Sec. 502, Mutual Security Act of 1954.—Mutual security appropriations were made available by Congress in 1954 to purchase surplus agricultural commodities in this country for sale abroad to friendly countries for their currencies. The foreign currencies received from the sale of these surplus agricultural commodities are used for mutual security program objectives in accordance with agreements reached with each government.

Sec. 402, Mutual Security Act of 1954.—Mutual security appropriations have been made available by Congress since 1955 to purchase surplus agricultural commodities in this country for sale abroad to friendly countries for their currencies. The foreign currencies received from the sale of these commodities to friendly countries can be used only for the purposes for which the dollar funds were originally appropriated.

Sec. 505 (a), Mutual Security Act of 1954.—Under the terms of this section, mutual security may be furnished on a reimbursable basis, repayable with foreign currency. Reimbursements by Burma have been utilized for the benefit of Pakistan.

Agricultural Trade Development and Assistance Act of 1954.—Foreign currencies, generated by the sale of agricultural surplus commodities under this act, are allocated to the International Cooperation Administration to finance the purchase abroad of goods and services for other friendly countries, to promote balanced economic development and trade among nations and to promote multilateral trade and economic development.

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$1,100,000		
11 Grants, subsidies, and contributions	38,338,559	$53,140,134	$62,780,737
16 Investments and loans	102,564,835	360,792,032	399,691,796
Total obligations	142,003,394	413,932,166	462,472,533

Expenditure Analysis

Obligated balance brought forward	$18,229,190	$41,382,698	$81,791,167
Obligations incurred	142,003,394	413,932,166	462,472,533
Obligated balance transferred to "Foreign currency, military assistance" (68 Stat. 843)	−1,083,535		
Obligated balance carried forward	−41,382,698	81,791,167	101,866,794
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	493,999		
Balance no longer available	−3,639		
Expenditures	118,256,711	373,523,697	442,396,906
Expenditures are distributed as follows:			
Sec. 502, Mutual Security Act of 1954	$1,004,744	$4,585,448	$1,006,586
Sec. 402, Mutual Security Act of 1954	26,914,860	38,689,910	39,451,183
Sec. 505 (a), Mutual Security Act of 1954	987,740	112,260	
Agricultural Trade Development and Assistance Act	89,240,937	329,847,842	401,939,137
Counterpart funds	108,430	288,237	

[Funds appropriated under each paragraph of this Act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available (except as may otherwise be specified in this Act) for the same period as the respective appropriations in this Act for the same general purpose, may be consolidated in one account for each paragraph.]

[GENERAL PROVISIONS]

[SEC. 102. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.]

[SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of $25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.]

[SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $300,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act and, hereafter, foreign currencies generated under the provisions of this Act shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated.]

[SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That to the extent that funds have been borrowed by any foreign government in order to make a deposit of counterpart and such deposit is in excess of the amount that would be required to be deposited pursuant to the formula prescribed by section 142 (b) of the Mutual Security Act of 1954, as amended, such counterpart may be used in such country for any agreed purpose consistent with the provisions of such Act.]

[SEC. 106. Except for the appropriations entitled "Special assistance, general authorization" and "Development loan fund", not more than 20 per centum of any appropriation item made available by this Act shall be obligated and/or reserved during the last month of availability.]

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[SEC. 107. None of the funds made available by this Act shall be used to carry out the purposes of the first sentence of section 400 (c) of the Mutual Security Act of 1954, as amended.]

[SEC. 108. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1957, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1957, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof.]

[SEC. 109. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.] (*Mutual Security Appropriation Act, 1958.*)

Public enterprise funds:

DEVELOPMENT LOAN FUND

[Development Loan Fund: For advances to the Development loan fund as authorized by section 203, $300,000,000, to remain available until expended;] (*Mutual Security Appropriation Act, 1958.*)

Appropriated 1958, **$300,000,000**

Program and Financing

	APPROPRIATED FUNDS			Foreign currencies (in dollar equivalents)			Total		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Program by activities:									
Operations (obligations):									
1. Direct loan commitments		$200,000,000	$90,000,000					$200,000,000	$90,000,000
2. Guaranties and deferred participation loans			10,000,000						10,000,000
Total obligations incurred		200,000,000	100,000,000					200,000,000	100,000,000
Financing:									
Amounts becoming available:									
Appropriation		300,000,000						300,000,000	
Collection of loans			10,000			$90,000			100,000
Interest on loans		11,000	308,000		$99,000	2,772,000		110,000	3,080,000
Fees for guaranties issued			200,000						200,000
Total amounts becoming available		300,011,000	518,000		99,000	2,862,000		300,110,000	3,380,000
Unobligated balance brought forward			100,011,000			99,000			100,110,000
Total amounts available		300,011,000	100,529,000		99,000	2,961,000		300,110,000	103,490,000
Unobligated balance carried forward		−100,011,000	−529,000		−99,000	−2,961,000		−100,110,000	−3,490,000
Financing applied to program		200,000,000	100,000,000					200,000,000	100,000,000

Beginning in 1958, the Mutual Security Act authorized a development loan fund to make loans, credits, or guaranties to nations, organizations, persons, or other entities to encourage the economic development of friendly nations. The fund is to be administered so as to support and encourage private investment and enterprise and is not to compete with private investment capital or the activities of the Export-Import Bank and the International Bank for Reconstruction and Development. Before making any loan, the management of the fund considers the availability of financing from other free world sources and ascertains the soundness and feasibility of the activity to be financed.

The basic financial terms and conditions for the operation of the fund are determined by a loan committee consisting of the Deputy Under Secretary of State for Economic Affairs, acting as chairman, the Director of the International Cooperation Administration, and the President of the Export-Import Bank. The fund is administered by a manager appointed by the President.

Budget program.—Loan commitments for development purposes will begin in 1958, but guaranties and deferred participation loans are not expected to be undertaken until 1959. Obligations by the fund will increase in 1959 to $500 million, most of which will be funded from 1959 appropriations proposed for later transmission.

Financing.—An appropriation of $300 million was provided in 1958. The request for appropriations for 1959 is shown under "Proposed for later transmission." Repayments of interest and principal may be either in dollars or foreign currencies.

Operating results.—Although the revenue of the fund will be in both dollars and foreign currencies it is anticipated that the major portion will be in foreign currencies. The fund presently bears no administrative expenses and no allowance has been established for losses.

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[MUTUAL SECURITY]—Continued

Public enterprise funds—Continued

DEVELOPMENT LOAN FUND—Continued

Sources and Application of Funds (Operations)

	APPROPRIATED FUNDS			Foreign currencies (in dollar equivalents)			Total		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):									
Direct loan program: Loan disbursements		$20,000,000	$100,000,000					$20,000,000	$100,000,000
Increase in selected working capital		11,000	44,000		$99,000	$2,862,000		110,000	2,906,000
Total gross expenditures		20,011,000	100,044,000		99,000	2,862,000		20,110,000	102,906,000
Receipts from operations (funds provided):									
Direct loan program:									
Loan repayments			10,000			90,000			100,000
Interest receivable		11,000	308,000		99,000	2,772,000		110,000	3,080,000
Guaranties and deferred participation loan program: Fees collected			200,000						200,000
Total receipts from operations		11,000	518,000		99,000	2,862,000		110,000	3,380,000
Budget expenditures		20,000,000	99,526,000					20,000,000	99,526,000

Revenue, Expense, and Retained Earnings

Direct loan program: Revenue		$11,000	$308,000		$99,000	$2,772,000		$110,000	$3,080,000
Guaranties and deferred participation loan program: Revenue			200,000						200,000
Net income for the year		11,000	508,000		99,000	2,772,000		110,000	3,280,000
Retained earnings, beginning of year			11,000			99,000			110,000
Retained earnings, end of year		11,000	519,000		99,000	2,871,000		110,000	3,390,000

Financial Condition

Assets:									
Cash with Treasury		$280,000,000	$180,474,000			$2,466,000		$280,000,000	$182,940,000
Loans receivable		2,000,000	11,990,000		$18,000,000	107,910,000		20,000,000	119,900,000
Interest receivable		11,000	55,000		99,000	495,000		110,000	550,000
Total assets		282,011,000	192,519,000		18,099,000	110,871,000		300,110,000	303,390,000
Liabilities: Current									
Government investment:									
Non-interest-bearing capital:									
Start of year			282,000,000			18,000,000			300,000,000
Appropriations during year		300,000,000						300,000,000	
Conversion of capital during year		−18,000,000	−90,000,000		18,000,000	90,000,000			
End of year		282,000,000	192,000,000		18,000,000	108,000,000		300,000,000	300,000,000
Retained earnings		11,000	519,000		99,000	2,871,000		110,000	3,390,000
Total Government investment		282,011,000	192,519,000		18,099,000	110,871,000		300,110,000	303,390,000

Status of Certain Fund Balances

Unexpended balance: Cash		$280,000,000	$180,474,000			$2,466,000		$280,000,000	$182,940,000
Obligated balance, net:									
Undisbursed loan obligations		180,000,000	180,000,000					180,000,000	180,000,000
Accounts receivable (−)		−11,000	−55,000		−$99,000	−495,000		−110,000	−550,000
Total obligated balance		179,989,000	179,945,000		−99,000	−495,000		179,890,000	179,450,000
Unobligated balance		100,011,000	529,000		99,000	2,961,000		100,110,000	3,490,000

Object Classification

16 Investments and loans		$200,000,000	$100,000,000					$200,000,000	$100,000,000

FOREIGN INVESTMENT GUARANTY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay (obligations):			
1. Guaranties issued against the risk of inconvertibility	$16,767,437	$55,000,000	$70,000,000
2. Guaranties issued against the risk of loss by expropriation	13,167,833	35,000,000	45,000,000
3. Guaranties issued against the risk of loss by war			5,000,000
Total guaranties issued	29,935,270	90,000,000	120,000,000
Less amount not obligated	21,864,720	69,300,000	92,400,000
Total program (obligations)	8,070,550	20,700,000	27,600,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	$40,000,581		
Fees collected	416,533	$600,000	$900,000
Adjustment of prior year revenue	1,611,521		
Recoveries of prior year obligations	2,009,082	4,500,000	7,500,000
Total amounts becoming available	44,037,717	5,100,000	8,400,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	69,209,757	105,176,924	89,756,924
Total amounts available	113,247,474	110,276,924	97,976,924
Unobligated balance carried forward (authorization to expend from public debt receipts)	−105,176,924	−89,576,924	−70,376,924
Financing applied to program	8,070,550	20,700,000	27,600,000

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In order to encourage American industrial investment abroad, the Mutual Security Act, as amended, authorizes the issuance of $500 million of guaranties against noncommercial risks. These risks are (1) inconvertibility of local currency receipts from investment, (2) loss of investment resulting from expropriation or confiscation, and (3) loss from war damage. The insurance, which may have a maximum term of 20 years, is available in any country with which the United States has agreed to institute the guaranty program. Thirty-six countries (plus their overseas dependencies) now participate. War damage coverage authorized in 1956 is now available for new investments in four countries which have signed the agreement. Extensions of existing agreements with a number of interested countries to include this coverage are being negotiated.

Budget program.—Total guaranties for 1959 are estimated at $120 million, but since the program is on a fractional reserve basis, total obligations for 1959 are estimated at $27.6 million.

Financing.—Congress provided $37.5 million of public debt authority in 1957. An additional $2.5 million of such authority was restored by the sale of foreign currencies generated under the informational media guaranty program.

Operating results.—The fund bears no expenses. Administrative expenses are paid from mutual security, economic, technical and other assistance funds allocated to the International Cooperation Administration. No guaranties have had to be fulfilled. Fees collected through June 30, 1957, are $2 million and are carried forward as retained earnings.

Position With Respect to Guaranty Authority

	1957 actual	1958 estimate	1959 estimate
Original guaranty authority	$500,000,000	$500,000,000	$500,000,000
Recoveries from prior year guaranties	3,620,603	9,120,603	17,620,603
Gross guaranty authority	503,620,603	509,120,603	517,620,603
Guaranties issued:			
Guaranties issued against the risk of inconvertibility	79,394,630	134,394,630	204,394,630
Guaranties issued against the risk of loss by expropriation	42,013,344	77,013,344	122,013,344
Guaranties issued against the risk of loss by war			5,000,000
Total guaranties outstanding	121,407,974	211,407,974	331,407,974
Unused guaranty authority	382,212,629	297,712,629	186,212,629

Sources and Application of Funds

Receipts from operations (funds provided):			
Revenue	$416,533	$600,000	$900,000
Adjustment of prior year revenue	1,611,521		
Budget expenditures	−2,028,054	−600,000	−900,000

Revenue, Expense, and

Guaranties issued against the risk of inconvertibility: Revenue	$222,667	$325,000	$465,000
Guaranties issued against the risk of loss by expropriation: Revenue	193,866	275,000	400,000
Guaranties issued against the risk of loss by war: Revenue			35,000
Net income for the year	416,533	600,000	900,000

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year		$2,028,054	$2,628,054
Adjustment of prior year revenue	$1,611,521		
Retained earnings, end of year	2,028,054	2,628,054	3,528,054

Financial Condition

Assets:			
Cash with Treasury	$2,028,054	$2,628,054	$3,528,054
Government investment:			
Retained earnings	2,028,054	2,628,054	3,528,054

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash		$2,028,054	$2,628,054	$3,528,054
Budget authorizations	$159,070,940	199,071,521	199,071,521	199,071,521
Total unexpended balance	159,070,940	201,099,575	201,699,575	202,599,575
Obligated balance, net:				
Undisbursed obligations	91,472,704	95,922,651	112,122,651	132,222,651
Accounts receivable (−)	−1,611,521			
Total obligated balance	89,861,183	95,922,651	112,122,651	132,222,651
Unobligated balance	69,209,757	105,176,924	89,576,924	70,376,924

Object Classification

	1957 actual	1958 estimate	1959 estimate
16 Investments and loans	$8,070,550	$20,700,000	$27,600,000

Intragovernmental funds:

Advances and Reimbursements, Military Assistance

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration	$78,200		
2. Other activities	4,437,162	$1,680,000	
Total obligations	4,515,362	1,680,000	
Financing:			
Advances and reimbursements from—			
Other accounts	4,515,275	1,680,000	
Non-Federal sources (40 U. S. C. 481 (c))	87		
Total financing	4,515,362	1,680,000	

Object Classification

Total number of permanent positions	40		
Average number of all employees	23		
Number of employees at end of year	40		
Average ungraded salary	$1,218		
01 Personal services:			
Permanent positions	$28,459		
Other personal services	2,753		
Total personal services	31,212		
03 Transportation of things	90		
05 Rents and utility services	18,829		
07 Other contractual services	5,682		
08 Supplies and materials	4,455,860	$1,680,000	
09 Equipment	3,689		
Total obligations	4,515,362	1,680,000	

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[MUTUAL SECURITY]—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS, DEFENSE SUPPORT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Defense support (total obligations)	$126,828	$100,000	
Financing:			
Advances and reimbursements from other accounts	126,828	100,000	
Object Classification			
07 Other contractual services	$89,214	$50,000	
08 Supplies and materials	37,614	50,000	
Total obligations	126,828	100,000	

ADVANCES AND REIMBURSEMENTS, ECONOMIC, TECHNICAL, AND OTHER ASSISTANCE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Technical cooperation	$356,866	$400,000	
2. Administrative expenses	368,592	350,000	
Total obligations	725,458	750,000	
Financing:			
Advances and reimbursements from—			
Other accounts	635,839	675,000	
Non-Federal sources (40 U. S. C. 481 (c))	89,619	75,000	
Total financing	725,458	750,000	
Object Classification			
06 Printing and reproduction	$41,384	$25,000	
07 Other contractual services	594,455	650,000	
09 Equipment	89,619	75,000	
Total obligations	725,458	750,000	

Proposed for later transmission:

MILITARY ASSISTANCE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Military assistance (total obligations)			$750,000,000
Financing:			
Unobligated and unreserved balance transferred from "Military assistance" (see above)			−25,000,000
Balance carried forward: Reserved (69 Stat. 438)			1,075,000,000
Proposed supplemental appropriation			1,800,000,000

Under existing and proposed legislation, 1959.—Appropriations of $1,800 million are anticipated in 1959 to finance military assistance programs already authorized or to be authorized under legislation to be proposed.

DEFENSE SUPPORT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Defense support (total obligations)			$865,000,000
Financing:			
Proposed supplemental appropriation			865,000,00

Under proposed legislation, 1959.—Appropriations of $865 million are anticipated in 1959 to finance defense support programs under legislation to be proposed.

ECONOMIC, TECHNICAL, AND OTHER ASSISTANCE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Economic, technical, and other assistance (total obligations)			$653,928,000
Financing:			
Unobligated balance transferred from "Economic, technical, and other assistance" (see above)			−3,928,000
Proposed supplemental appropriation			650,000,000

Under existing and proposed legislation, 1959.—Appropriations of $650 million are anticipated in 1959 to finance economic, technical, and other assistance programs already authorized or under legislation to be proposed. In addition, it will be requested that 1958 unobligated balances, estimated at $3,928,000, be continued available in 1959.

DEVELOPMENT LOAN FUND

Program and Financing

	APPROPRIATED FUNDS, 1959 estimate	Foreign currencies (in dollar equivalents), 1959 estimate	Total, 1959 estimate
Program by activities:			
Operations (total obligations)	$400,000,000		$400,000,000
Financing:			
Amounts becoming available:			
Proposed supplemental appropriation	625,000,000		625,000,000
Interest on loans	130,000	$1,170,000	1,300,000
Fees for guaranties issued	500,000		500,000
Total amounts becoming available	625,630,000	1,170,000	626,800,000
Unobligated balance carried forward	−225,630,000	−1,170,000	−226,800,000
Financing applied to program	400,000,000		400,000,000

Under existing legislation, 1959.—Additional supplemental appropriations of $625 million are anticipated in 1959 to finance the development loan fund. It is estimated that $100 million of unobligated balances will also be available to the fund in 1959.

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

Current authorizations:

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

For expenses necessary to enable the President to carry out the provisions of the "International Cultural Exchange and Trade Fair Participation Act of 1956", [$12,400,000, of which $6,500,000 shall be available for the Universal and International Exhibition of Brussels, 1958] *including uniforms or allowances therefor, as authorized by law (5 U. S. C. 2131), $7,600,000,* to remain available until expended: *Provided,* That not to exceed a total of [$25,000] *$65,000* may be expended for representation.

[For an additional amount for the "President's special international program", including uniforms or allowances therefor, as authorized by law (5 U. S. C. 2131), $2,745,000, to remain available until expended: *Provided,* That the amount made available under this head in the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958, for United States

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participation in the Universal and International Exhibition of Brussels, 1958, is increased from "$6,500,000" to "$7,045,000".] *(70 Stat. 778; Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958; Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$15,145,000** Estimate 1959, **$7,600,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Artistic and athletic presentations	$1,973,989	$2,998,115	$3,000,000
2. Trade fairs and exhibitions	4,108,723	3,737,317	6,500,000
3. Universal and International Exhibition of Brussels	3,011,764	8,323,236	1,010,000
4. Program coordination and publicity	20,096		
Total obligations	9,114,572	15,058,668	10,510,000
Financing:			
Unobligated balance brought forward	−628,340	−3,023,668	−3,110,000
Recovery of prior year obligations	−309,900		
Unobligated balance carried forward	3,023,668	3,110,000	200,000
Appropriation (new obligational authority)	11,200,000	15,145,000	7,600,000

The purpose of this fund is to strengthen the ties which unite us with other nations by demonstrating the cultural interests, developments, and achievements of the people of the United States, and the contributions being made by the United States economic and social system toward a peaceful and more fruitful life for its own people and other people throughout the world.

The Director of the United States Information Agency serves as coordinator of the following activities:

1. *Artistic and athletic presentations.*—The Department of State administers this program, which supports outstanding American cultural attractions appearing abroad. This support is necessary primarily because of high international transportation costs and presentation at places where commercial revenues are inadequate to cover operating expenses. Approved projects, with itineraries reaching all areas of the world, numbered 30 for 1957, and are estimated at 38 during 1958, and 35 during 1959.

2. *Trade fairs and exhibitions.*—The Department of Commerce administers this program, which finances United States exhibitions plus commercial and labor missions at important international trade fairs and similar exhibitions. Authorizations for 1957 and 1958 provided for United States participation in 24 and 17 trade fairs, respectively. A major exhibit in Moscow, U. S. S. R., for which a supplemental appropriation was made in 1958, will not be held until 1959. Funds requested in 1959 will provide for 18 trade fairs and exhibits.

3. *Universal and International Exhibition of Brussels.*—The Department of State, through a United States Commissioner General, is using these funds to finance a major United States exhibit and related activities in the Universal and International Exhibition of Brussels, 1958. This exhibition will be the first major world's fair since the New York World's Fair of 1939–40, and will include national exhibits from approximately 50 countries plus a number of international organizations. It is estimated that 35 million persons will visit the exhibition.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
ALLOCATION ACCOUNTS						
Total number of permanent positions	179		566		573	
Full-time equivalent of all other positions	9		36		34	
Average number of all employees	117		347		305	
Number of employees at end of year	183		676		161	
Average GS grade and salary	8.9	$6,917	9.2	$6,947	9.3	$7,044
Average grade and salary:						
Grades established by the Secretary of State		$18,733		$19,050		$19,050
Grades established by the Secretary of State, equivalent to GS grades	6.9	$5,063	6.8	$4,940	6.8	$4,974
Grades established by the Foreign Service Act of 1946 (22 U. S. C. 801–1158):						
Foreign Service officer	3.0	$12,100	3.0	$12,100	3.0	$12,100
Foreign Service reserve	3.1	$11,404	3.2	$11,115	3.2	$11,100
Foreign Services staff	8.4	$6,290	7.9	$6,344	7.9	$6,344
Average salary of ungraded positions (foreign countries):						
United States rates		$5,980		$7,036		$6,723
Local rates		$4,075		$2,537		$2,634
01 Personal services:						
Permanent positions		$769,919		$1,746,863		$1,509,847
Positions other than permanent		57,583		279,612		256,011
Other personal services		25,544		124,904		83,252
Total personal services		853,046		2,151,379		1,849,110
02 Travel		593,660		589,450		1,000,500
03 Transportation of things		328,051		513,199		401,700
04 Communication services		47,841		42,936		51,900
05 Rents and utility services		163,627		235,968		494,700
06 Printing and reproduction		38,206		104,482		113,800
07 Other contractual services		4,564,442		7,120,613		3,040,280
Services performed by other agencies		72,340		427,660		
08 Supplies and materials		311,285		294,447		525,500
09 Equipment		304,291		302,889		187,100
11 Grants, subsidies, and contributions		1,835,615		2,843,945		2,843,735
13 Refunds, awards, and indemnities		650				
15 Taxes and assessments		1,518		431,700		1,675
Total obligations		9,114,572		15,058,668		10,510,000
Obligations are distributed as follows:						
Department of State		$4,985,753		$11,321,351		$4,010,000
Department of Commerce		4,108,723		3,737,317		6,500,000
United States Information Agency		20,096				

REFUGEE RELIEF

Current authorizations:

Refugee Relief

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Investigation and visa issuance	$5,162,891		
2. Administration of loans	17,507		
3. Investigations in Germany	1,515,451		
4. Medical examinations	305,823		
5. Inspection	236,874		
6. Occupational selection	198,915		
Total obligations	7,437,461		
Financing:			
Unobligated balance no longer available	1,062,539		
Appropriation (new obligational authority)	8,500,000		

Object Classification

	1957 actual		1958 estimate	1959 estimate
ALLOCATION ACCOUNTS				
Total number of permanent positions	2,485			
Full-time equivalent of all other positions	3			
Average number of all employees	1,492			
Number of employees at end of year	24			
Average GS grade and salary	6.8	$4,890		
Average grade and salary:				
Grades established by the Foreign Service Act of 1946 (22 U. S. C. 801–1158):				
Foreign Service officer	6.4	$6,043		
Foreign Service reserve officer	4.0	$9,833		
Foreign Service staff officer	9.7	$5,115		
Average salary of ungraded positions:				
Foreign countries (local rates)		$1,536		
01 Personal services:				
Permanent positions		$3,351,251		
Positions other than permanent		12,263		
Other personal services		494,828		
Total personal services		3,858,342		

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REFUGEE RELIEF—Continued

Current authorizations—Continued

REFUGEE RELIEF—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
02 Travel	$349,195		
03 Transportation of things	133,737		
04 Communication services	59,166		
05 Rents and utility services	76,498		
06 Printing and reproduction	2,183		
07 Other contractual services	180,944		
Services performed by other agencies	2,638,825		
08 Supplies and materials	87,012		
09 Equipment	24,375		
11 Grants, subsidies, and contributions	35		
13 Refunds, awards, and indemnities	272		
15 Taxes and assessments	8,748		
16 Investments and loans	15,000		
Unvouchered	7,324		
Subtotal	7,441,656		
Deduct charges for quarters	4,195		
Total obligations	7,437,461		
Obligations are distributed as follows:			
Department of State	$5,162,891		
Department of the Army	1,515,451		
Department of Health, Education, and Welfare	305,823		
Department of Justice	236,874		
Department of Labor	198,915		
Treasury Department	17,507		
Total obligations	7,437,461		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Investigation and visa issuance:			
International Cooperation Administration	$140,000		
Miscellaneous	7		
Total obligations	140,007		
Financing:			
Advances and reimbursements from—			
Other accounts	140,000		
Non-Federal sources (5 U. S. C. 61 (b))	7		
Total financing	140,007		

Object Classification

01 Personal services: Positions other than permanent	$7		
07 Other contractual services: Services performed by other agencies	140,000		
Total obligations	140,007		

MISCELLANEOUS

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency realized under the Agricultural Trade Development and Assistance Act, as amended (7 U. S. C. 1704)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Balance brought forward:			
Reserved for country uses	$331,792,426	$1,000,810,186	$1,320,694,152
Unreserved	504,880,395	558,469,994	
Recoveries from prior allocations		3,877,865	
Sales agreements entered into	1,049,975,000	610,000,000	
Subtotal	1,886,647,821	2,173,158,045	1,320,694,152

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Sales by Treasury to appropriations and funds	$64,786,869	$66,079,639	$81,650,000
Authorized for use by agencies with long-term reimbursement to Commodity Credit Corporation: Department of Defense	22,493,752	71,200,000	4,480,000
Total to be realized in dollars	87,280,621	137,279,639	86,130,000
Adjustment to market rate of currencies allocated for U. S. uses	20,107,568		
Authorizations for use by agencies without reimbursement to Commodity Credit Corporation:			
Mutual security:			
Military assistance	83,083,831	67,038,195	
Defense support		61,033,334	12,280,379
Economic, technical, and other assistance	125,022,811	502,528,523	450,000,000
United States Information Agency	50,000	2,087,000	3,591,000
Department of Agriculture	3,860,100	5,690,202	14,060,742
Department of State:			
Educational exchange	7,906,000	8,567,000	
Counterpart fund, sec. 708 (c), Public Law 118, July 16, 1953	56,710		
Export-Import Bank of Washington		68,240,000	
Total adjustments and authorizations for free use	240,087,020	715,184,254	479,932,121
Balance carried forward:			
Reserved for country uses	1,000,810,186	1,320,694,152	754,632,031
Unreserved	558,469,994		

NOTE.—Balances brought forward at the beginning of 1957 are stated at agreement rates. They differ from balances shown in the 1958 budget, in which they were stated at market rates.

Title I of the Agricultural Trade Development and Assistance Act of 1954 authorizes the sale of up to $4 billion of surplus agricultural commodities to friendly nations for their currencies, with reasonable precautions neither to displace United States sales for dollars nor to disrupt unduly world commodity prices. The Commodity Credit Corporation finances the costs. The foreign currencies generated by these sales may be used (*a*) to help develop new markets for United States agricultural commodities, (*b*) to purchase strategic and critical materials, (*c*) to procure military materiel and services for the common defense, (*d*) to purchase goods and services for other friendly nations, (*e*) to promote balanced economic development and trade among nations including loans to American and foreign business firms abroad, (*f*) to pay United States obligations abroad, (*g*) to make loans to promote multilateral trade and economic development abroad, (*h*) to finance international education exchange activities, (*i*) to translate and publish books and other publications abroad, and (*j*) to aid American-sponsored schools, libraries, and binational centers overseas.

Most of the currencies are used without charge to appropriations; some are sold to appropriations, and the proceeds of such sales go to the Commodity Credit Corporation. A lump-sum appropriation is recommended to reimburse the Commodity Credit Corporation for its losses which are not made up through such sales.

As of June 30, 1958, it is estimated agreements will have been signed calling for deposits of sales proceeds totaling $2.7 billion. This will represent the market value of commodities and ocean transportation in which the Commodity Credit Corporation investment will be approximately $4 billion. No estimates are included in this schedule for sales agreements that may be signed under the proposed legislation increasing title I authorizations by $1.5 billion. Subsidiary schedules on currency uses are presented in the chapters of the Departments of State, Defense, and Agriculture, the General Services Administration, the United States Information Agency, and under "Military assistance," "Defense support," and "Economic, technical, and other assistance" in the funds appropriated to the President chapter.

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INDEPENDENT OFFICES

The total recommended new obligational authority for the 47 independent agencies and 10 historical and memorial commissions for 1959 is $8,211 million, a decrease of $1,746 million from the estimated 1958 total. The decrease largely reflects the fact that an expansion in the lending authority of the Export-Import Bank of Washington requested for 1958 will not recur in 1959. The largest increases in new obligational authority from 1958 to 1959 are for the National Science Foundation and the Atomic Energy Commission.

Expenditures of independent agencies in 1959 are estimated to be $8,272 million. This amount is a decrease of $172 million from 1958.

Development and control of atomic energy.—New obligational authority recommended for the Atomic Energy Commission in 1959 is $2,418 million, an increase of $56 million over the amount provided for 1958. Expenditures are estimated to increase from $2,300 million in 1958 to $2,550 million in 1959.

The increases in both new obligational authority and expenditures are almost entirely for operating expenses. Larger quantities of raw uranium concentrates will be received as mills come into being under prior contracts. Substantial growth in production of advanced nuclear weapons is planned. The effort to develop reactors for civilian atomic power and for military propulsion will be expanded, accompanied by emphasis on such civilian power problems as reactor safety and waste disposal. Research in the physical and life sciences will go forward at the higher levels recently attained, with increases to explore more fully the problems inherent in radioactive hazards.

New obligational authority of $120 million for construction in 1959, together with available balances from appropriations provided in previous years, will result in construction expenditures of $240 million in 1959, $20 million more than in 1958. Improvements are planned in production facilities for fissionable materials and weapons. Construction will also proceed on experimental reactors for power and propulsion, on supporting facilities for reactor development, and on four high energy particle accelerators.

International economic and technical development.—The Export-Import Bank anticipates that its commitments for development loans in 1959 will remain high, but that exporter loans and loans for the purchase of agricultural commodities will be somewhat lower than in 1958. This decline is expected to be accompanied by an increased willingness of private institutions to finance exports.

Gross budget expenditures of the Bank in 1959 for disbursements on loans, operating expenses, and interest on money borrowed from the Treasury are estimated to be $562 million. After deducting estimated receipts from collections of interest and principal, net budget expenditures are $57 million. This is less than the net expenditures of $400 million estimated for 1958, primarily because a large credit against pledged securities is being disbursed to the United Kingdom in 1958.

The budget proposes legislation to authorize an increase of $2 billion in the Bank's lending authority in 1958. New lending authority was last provided in 1955.

Foreign information and exchange activities.—In 1959, the United States Information Agency will expand its operations in the Middle East and Africa, intensify efforts to reach the peoples of the Soviet Union and its satellites, and undertake some general strengthening of press, radio, motion picture, and information center activities. The Agency intends also to reach large new audiences by improving facilities of the Voice of America. Major relay base construction projects will be advanced toward completion and existing facilities modernized. Recommended new obligational authority for the Agency in 1959 is $110 million, $13.8 million more than for 1958.

Veterans' services and benefits (summary).—The recommended new obligational authority for the Veterans Administration for 1959 is $4,968 million, approximately the same as for 1958. Of the total, 79.5% is for cash payments to veterans for compensation, pensions, and readjustment benefits; 16.4% is for hospital and medical services; and the remainder is for administration and miscellaneous programs.

Veterans' education, training, and other readjustment benefits.—Average enrollment of veterans of the Korean conflict in education and training is declining from a peak of 574,000 in 1957 to an estimated 460,000 in 1959. Training allowances will also be paid to a few veterans of World War II and to an estimated 7,000 war orphans. As the number of veterans receiving these benefits declines, expenditures are estimated to drop from $729 million in 1958 to $626 million in 1959.

Expenditures for other readjustment benefit programs are approximately at last year's level. The average number of disabled veterans receiving vocational rehabilitation is estimated to be 12,800 in 1959, compared with 16,635 in 1957. Veterans of World War II will no longer be eligible to apply for loan guaranties after July 25, 1958. Obligations and expenditures in 1959 for payment of claims and acquisition of properties on which loans have been defaulted are estimated to be $82 million, most of which will later be recovered from sale of properties. The defaulted loans are a small proportion of the $24 billion of guaranties estimated to be outstanding at the end of 1959.

Veterans' compensation and pensions.—The budget provides for compensation payments of $2 billion for service-connected disability and death in an estimated average of 2,447,000 cases in 1959. While the average number of cases is declining slowly from a peak of 2,465,000 in 1956, the total amount of payments will increase because of legislation which raised benefit rates for living veterans by 10% to 30% effective October 1, 1957. The estimated net increase from 1958 to 1959 is $30 million.

Pensions for non-service-connected disability and death are being paid in a steadily larger number of cases, primarily because of the advancing age of World War I veterans. The average caseload in 1959 is estimated to be 1,352,000, compared with 1,248,000 in 1958. Estimated payments of $1.1 billion are $96 million more than in 1958.

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A supplemental appropriation of $256 million is anticipated for 1958 to cover the estimated requirements for compensation and pensions in excess of the amounts appropriated.

Veterans' hospitals and medical care.—The new obligational authority of $707 million requested for 1959 anticipates that inpatient care will be provided for a daily average of 110,900 patients in Veterans Administration hospitals. Approximately two-thirds of the patients are receiving care for conditions not connected with military service. The number of patients in tuberculosis hospitals has been declining as a result of the use of new drugs. In addition to its hospitals, the Veterans Administration operates domiciliary homes with an estimated 16,600 residents in 1959; it will also pay for an average of 3,000 patients per day in other hospitals and for half the cost of caring for 9,200 veterans in State soldiers' homes.

The budget also provides new obligational authority of $75.8 million for 1959 for operation of outpatient clinics and for fees to doctors or dentists where clinics are not available. Both the medical and dental outpatient programs are declining but over 2 million visits are estimated for 1959.

New obligational authority of $9 million is recommended for construction, modernization, or repair of facilities in 1959. Total obligations, however, are expected to be considerably higher because balances of appropriations from prior years will be used. Construction will be started on a 500-bed general hospital to replace an existing hospital, and funds are provided for planning replacement projects at three other hospitals.

Insurance and other veterans' services and administration.—Payment of insurance claims resulting from extrahazardous conditions of military service, and of indemnities to survivors of persons who died in service or within 120 days after discharge during the period 1951 to 1956, are estimated to be $52 million in 1959. Additional insurance operations for policies issued since 1951, which are conducted through revolving funds, are estimated to result in $12 million net receipts. New obligational authority requested for general operating expenses of the Veterans Administration is $12 million less than in 1958, continuing the reductions made in each of the past several years because of lower workloads and introduction of better methods.

Promotion of science, research, museums, and education.—New obligational authority of $140 million is recommended for the National Science Foundation for 1959, $90 million more than the 1958 funds appropriated which includes a proposed supplemental appropriation of $10 million. An increase is also recommended for the Smithsonian Institution for its scientific research and museum activities.

Of the total 1959 request for the National Science Foundation, $58 million, more than twice the comparable 1958 amount, is for grants to (1) support basic research projects in universities and other nonprofit institutions, (2) assist in the construction and maintenance of specialized research facilities in such fields as astronomy, biology, electronic computation and nuclear physics, and (3) improve the collection and dissemination of scientific data from both domestic and foreign sources. The balance, $82 million, will provide for more than a fivefold expansion over 1958 in activities for education in the sciences. These funds are for grants to universities and other organizations to (1) develop improved curricula for high school and college science and mathematics courses, (2) increase the number of supplementary training institutes for school and college faculties, (3) interest more young people of ability to undertake careers in science, and (4) provide more opportunities for highly qualified college graduates and research investigators to undertake further graduate study.

Conservation and development of land and water resources.—Construction of the United States share of the St. Lawrence Seaway will be substantially complete by the end of 1959 and will be financed during that year from borrowing authority provided in previous years. The Seaway is to be opened to 14-foot-draft traffic by July 1, 1958, and to 27-foot-draft traffic in the spring of 1959. Related hydroelectric power facilities are being constructed by the New York State Power Authority and the Ontario Hydroelectric Power Commission.

Legislation is proposed to permit the Tennessee Valley Authority to finance construction of new power facilities by the sale of revenue bonds, as required to meet increasing power needs of the area. Including this proposal, the new obligational authority of $142 million recommended for the Tennessee Valley Authority for 1959 is $129 million more than in 1958. The 1959 request also includes funds for construction underway and for research and development activities. Most of the operating expenses of the Authority are met from its revenues, principally from the sale of power and of fertilizer materials.

Promotion of aviation.—Supplemental appropriations recommended for the National Advisory Committee for Aeronautics in 1958 and new obligational authority recommended for 1959 will provide for an immediate expansion of research and development activities looking toward solutions of problems involving the flight of aircraft, ballistic and guided missiles, and space vehicles. This program is closely coordinated with those of the Department of Defense.

The budget includes new obligational authority of $35 million for the Airways Modernization Board for 1959. This is more than double the amount provided for this agency in 1958, the year it was established. Increased emphasis is being placed on research and development to meet the needs of civil and military aviation for improved air traffic control and navigation facilities.

Other aids to business.—New obligational authority of $52.8 million is recommended to carry on the business and disaster loan programs and the procurement and technical assistance programs for small business in 1959. Legislation to extend the Small Business Act beyond its present expiration date of July 31, 1958, and to remove the limitation on the life of the Small Business Administration is recommended.

The volume of new business loans of the Small Business Administration is expected to continue in 1959 at about the 1958 rate. New obligational authority and net expenditures are estimated to decline sharply in 1959, since repayments of principal available for relending are accelerating as the volume of outstanding loans increases.

Regulation of commerce and finance.—The budget provides increased funds in 1959 for the Interstate Commerce Commission, Federal Communications Commission, Securities and Exchange Commission, and Federal Trade Commission in recognition of the increases in their regulatory workload and the need to strengthen their enforcement activities.

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Civil defense.—The budget provides for the first year cost of legislation authorizing Federal grants to match State and local expenditures for personnel and administration and for certain other needs of the overall civil defense effort. This legislation has been approved by the House of Representatives and is pending in the Senate.

Recommended new obligational authority for the Federal Civil Defense Administration in 1959 under existing legislation is below that for 1957. This results from suspension of procurement for the stockpile of emergency supplies and equipment. Plans are underway to develop a master survival resource plan to serve as the basis for future stockpiling. In the interim, needed rehabilitation of certain stockpiled items, primarily blood plasma, will receive attention. The budget provides for extending the attack warning system to additional key target areas and to a nationwide network of radio stations. Research concerned with shelter design and testing, radiological defense, and warning and communications will be increased. Training programs, particularly on radiological defense, will be expanded, and two new resident training centers will be established.

Many Government agencies carry on activities which are part of the entire civil defense effort. The budgetary requests for these activites are included in the budgets of the respective agencies.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Major national security:						
056 Development and control of atomic energy	$1,961,837	$2,361,565	$2,418,000	$1,990,117	$2,300,054	$2,550,000
International affairs and finance:						
151 Conduct of foreign affairs	1,575	1,700	1,810	1,553	1,702	1,805
152 Economic and technical development		2,000,000		−99,992	392,528	50,883
153 Foreign information and exchange activities	113,000	96,200	110,032	107,876	100,146	107,513
Total, international affairs and finance	114,575	2,097,900	111,842	9,438	494,375	160,201
Veterans' services and benefits:						
101 Veterans' education and training	779,236	721,492	625,297	774,020	729,377	625,648
102 Other veterans' readjustment benefits	73,294	92,555	92,663	73,283	92,570	93,106
103 Veterans' compensation and pensions	2,893,650	3,082,250	3,232,000	2,869,989	3,107,312	3,232,000
104 Veterans' insurance and servicemen's indemnities	56,614	46,072	51,670	46,806	43,732	40,400
105 Veterans' hospitals and medical care	825,205	852,991	814,774	800,641	846,413	840,150
106 Other veterans' services and benefits	166,970	165,702	152,968	167,837	163,394	154,683
Total, veterans' services and benefits	4,794,969	4,961,063	4,969,372	4,732,575	4,982,799	4,985,987
Labor and welfare:						
211 Labor and manpower	42,638	41,300	43,045	41,585	41,037	42,532
213 Promotion of public health	5	5	5	5	5	5
214 Promotion of education	15,300	18,012	81,870	13,864	17,249	52,933
215 Promotion of science, research, libraries, and museums	64,872	40,433	67,159	38,204	46,118	68,835
Total, labor and welfare	122,816	99,750	192,079	93,658	104,408	164,305
Agriculture and agricultural resources:						
352 Financing farm ownership and operation	2,142	2,200	2,125	−28,285	−5,318	−4,310
355 Research, and other agricultural services	150			120	9	
Total, agriculture and agricultural resources	2,292	2,200	2,125	−28,165	−5,309	−4,310
Natural resources:						
401 Conservation and development of land and water resources	10,626	53,987	148,276	35,490	90,575	84,912
405 Recreational use of natural resources		17		17	18	
Total, natural resources	10,626	54,004	148,276	35,507	90,593	84,912
Commerce and housing:						
513 Promotion of aviation	78,176	132,917	141,700	76,065	99,700	128,500
516 Public housing programs	38	38	46	34	38	41
517 Other aids to housing	149,343			43,374	106,169	−48,048
518 Other aids to business	84,900	88,295	38,800	68,763	83,637	56,803
519 Regulation of commerce and finance	34,007	37,700	39,575	33,567	37,300	39,519
520 Civil defense	93,560	39,300	67,800	63,374	67,415	63,522
521 Disaster insurance, loans, and relief	12,000	14,000	14,000	5,327	7,939	6,531
Total, commerce and housing	452,025	312,250	301,920	290,504	402,198	246,868
General government:						
602 Judicial functions	132	178	178	131	166	176
603 Executive direction and management	20			9	2	
604 Federal financial management	39,040	40,510	42,681	37,744	39,932	42,115
605 General property and records management	49,000			1,628	7,721	13,855
606 Central personnel management and employment costs	544,961	20,660	20,748	544,633	21,400	20,736
607 Civilian weather services	320	100		251	213	
608 Protective services and alien control	1,440	1,020	1,508	1,318	964	1,443
609 Territories and possessions, and the District of Columbia	1,845	5,057	2,121	604	3,989	5,120
610 Other general government	1,309	716	578	1,240	861	660
Total, general government	638,068	68,241	67,813	587,558	75,247	84,107
Total, independent offices	8,097,207	9,956,971	8,211,428	7,711,192	8,444,365	8,272,069

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
ADVISORY COMMITTEE ON WEATHER CONTROL							
Current authorizations:							
Salaries and expenses	607	$300,000	$100,000		$250,951	$213,022	
Reappropriation	607	20,479					
AIRWAYS MODERNIZATION BOARD							
Current authorizations:							
Expenses	513		15,137,130	$35,000,000		5,700,000	$28,000,000
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION							
Current authorizations:							
Salaries and expenses	518		60,000			50,000	10,000
AMERICAN BATTLE MONUMENTS COMMISSION							
Current authorizations:							
Salaries and expenses	106	1,140,000	1,250,000	1,250,000	1,084,216	1,210,000	1,220,000
Construction of memorials and cemeteries	106	1,050,000	1,250,000		2,810,007	2,500,000	3,000,000
Dedication of World War II memorials	106				60,829		
Total, American Battle Monuments Commission		2,190,000	2,500,000	1,250,000	3,955,052	3,710,000	4,220,000
ATOMIC ENERGY COMMISSION							
Current authorizations:							
Operating expenses	056	1,751,900,000	2,215,470,000	2,288,000,000	1,726,039,909	2,080,000,000	2,310,000,000
Reappropriation	056	63,137,269	37,932,221	10,000,000			
Plant acquisition and construction	056	146,800,000	108,162,500		264,131,245	220,000,000	220,000,000
Public enterprise funds:							
Defense production guaranties	518				−144,325	−103,214	−64,347
Intragovernmental funds:							
Advances and reimbursements	056				−53,966	53,966	
Proposed for later transmission (under proposed legislation):							
Plant acquisition and construction	056			120,000,000			20,000,000
Total, Atomic Energy Commission		1,961,837,269	2,361,564,721	2,418,000,000	1,989,972,863	2,299,950,752	2,549,935,653
CENTRAL INTELLIGENCE AGENCY							
Current authorizations:							
Construction	605	49,000,000			1,628,376	7,720,538	13,855,430
CIVIL SERVICE COMMISSION							
Current authorizations:							
Salaries and expenses	606	17,437,045	18,300,000	18,420,000	17,465,948	18,245,801	18,350,000
Investigations of United States citizens for employment by international organizations	608	457,955	491,800	383,000	422,642	488,619	393,400
Annuities, Panama Canal construction employees and lighthouse service widows	606	2,524,000	2,360,000	2,328,000	2,397,273	2,468,327	2,331,000
Payment to civil service retirement and disability fund	606	525,000,000			525,000,000		
Limitation on administrative expenses, employees' life insurance fund (trust fund)		(115,990)	(123,800)	(123,800)			
Intragovernmental funds:							
Investigations	606				−229,772	685,582	54,767
Total, Civil Service Commission		545,419,000	21,151,800	21,131,000	545,056,091	21,888,329	21,129,167
COMMISSION ON CIVIL RIGHTS							
Current authorizations:							
Salaries and expenses	608			750,000			675,000
COMMISSION ON GOVERNMENT SECURITY							
Current authorizations:							
Salaries and expenses	608	632,500			586,880	102,000	
Reappropriation	608		152,745				
COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS							
Current authorizations:							
Commission on Increased Industrial Use of Agricultural Products	355	150,000			119,864	8,987	

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Federal Reserve Bank of St. Louis

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
COMMISSION ON INTERGOVERNMENTAL RELATIONS							
Current authorizations:							
Salaries and expenses	603				$87		
COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT							
Current authorizations:							
Salaries and expenses	603				−31		
DISTRICT OF COLUMBIA AUDITORIUM COMMISSION							
Current authorizations:							
Salaries and expenses	609	$150,000			88,636	$6,039	
EXPORT-IMPORT BANK OF WASHINGTON							
Public enterprise funds:							
Export-Import Bank of Washington fund	152				−93,680,499	399,948,159	$57,000,325
Limitation on administrative expenses	152	(1,670,000)	($1,900,000)	($2,055,000)			
Liquidation of certain Reconstruction Finance Corporation assets	152				−6,311,142	−7,420,429	−6,116,986
Proposed for later transmission (under proposed legislation):							
Export-Import Bank of Washington (authorization to expend from debt receipts)	152		2,000,000,000				
Total, Export-Import Bank of Washington			2,000,000,000		−99,991,641	392,527,730	50,883,339
FARM CREDIT ADMINISTRATION							
Permanent authorizations:							
Farm Credit Administration	352	2,142,205	2,200,000	2,125,000	1,979,060	2,200,000	2,125,000
Administrative expenses (indefinite special account)	352	(2,230,000)	(2,200,000)	(2,125,000)			
Public enterprise funds:							
Federal Farm Mortgage Corporation:							
Federal Farm Mortgage Corporation fund	352				−556,735	−1,992,000	−2,035,500
Limitation on administrative expenses	352	(550,000)					
Production credit associations investment fund	352				40,000	200,000	600,000
Agricultural marketing revolving fund	352				−2,735,508	−5,726,000	−5,000,000
Federal intermediate credit banks:							
Operating fund	352				−27,012,042		
Limitation on administrative expenses	352	(3,576,000)	(3,375,000)	(1,693,000)			
Total, Farm Credit Administration		2,142,205	2,200,000	2,125,000	−28,285,225	−5,318,000	−4,310,500
FEDERAL CIVIL DEFENSE ADMINISTRATION							
Current authorizations:							
Operations	520	15,560,000	17,000,000	19,400,000	14,998,061	15,000,000	18,000,000
Emergency supplies and equipment	520	47,000,000	3,300,000	18,000,000	32,581,045	38,300,000	10,000,000
Research and development	520	10,000,000	2,000,000	4,400,000	5,031,657	5,040,000	5,500,000
Federal contributions	520	17,000,000	17,000,000		8,647,943	8,000,000	10,000,000
Salaries and expenses, civil defense functions of Federal agencies	520	4,000,000			2,849,869	607,000	
Public enterprise funds:							
Civil defense procurement fund	520				−734,501	467,558	21,960
Proposed for later transmission (under proposed legislation):							
Civil defense assistance to States	520			26,000,000			20,000,000
Total, Federal Civil Defense Administration		93,560,000	39,300,000	67,800,000	63,374,074	67,414,558	63,521,960
FEDERAL COAL MINE SAFETY BOARD OF REVIEW							
Current authorizations:							
Salaries and expenses	211	70,000	70,000	70,000	51,718	70,000	70,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
FEDERAL COMMUNICATIONS COMMISSION							
Current authorizations:							
Salaries and expenses	519	$7,828,000	$8,300,000	$8,950,000	$7,772,001	$8,249,000	$8,900,000
FEDERAL HOME LOAN BANK BOARD							
Public enterprise funds:							
Revolving fund	517						
Limitation on administrative expenses	517	(1,036,700)	(1,250,000)	(1,600,000)	−29,151	72,953	−46,185
Limitation on nonadministrative expenses	517	(4,289,000)	(5,665,000)	(6,343,000)			
Federal Savings and Loan Insurance Corporation:							
Revolving fund	517						
Limitation on administrative expenses	517	(596,000)	(675,000)	(720,000)	−33,362,796	−38,459,076	−43,124,500
Home Owners' Loan Corporation fund	517				5,662	5,000	5,000
Total, Federal Home Loan Bank Board					−33,386,285	−38,381,123	−43,165,685
FEDERAL MEDIATION AND CONCILIATION SERVICE							
Current authorizations:							
Salaries and expenses	211	3,305,000	3,550,000	3,695,000	3,262,668	3,559,450	3,652,250
FEDERAL POWER COMMISSION							
Current authorizations:							
Salaries and expenses	401	5,225,000	5,530,000	6,385,000	5,171,033	5,491,000	6,210,000
Permanent authorizations:							
Payments to States under Federal Power Act (indefinite special account)	401	43,983	40,000	41,000	32,980	44,000	40,000
Proposed for later transmission (under existing legislation):							
Salaries and expenses	401		100,000			90,000	10,000
Total, Federal Power Commission		5,268,983	5,670,000	6,426,000	5,204,013	5,625,000	6,260,000
FEDERAL TRADE COMMISSION							
Current authorizations:							
Salaries and expenses	519	5,550,000	5,950,000	6,025,000	5,405,931	5,928,000	6,010,000
FOREIGN CLAIMS SETTLEMENT COMMISSION							
Current authorizations:							
Salaries and expenses	610	700,000	570,000	565,000	622,149	506,655	565,000
Payment of Korean claims	610				23,369	5,559	
Total, Foreign Claims Settlement Commission		700,000	570,000	565,000	645,518	512,214	565,000
GENERAL ACCOUNTING OFFICE							
Current authorizations:							
Salaries and expenses	604	34,000,000	36,050,000	38,300,000	32,928,169	35,420,350	37,736,100
HISTORICAL AND MEMORIAL COMMISSIONS							
Current authorizations:							
Alexander Hamilton Bicentennial Commission	610	55,000			96,868	31,165	
Booker T. Washington Centennial Commission	610	225,000			189,721	35,279	
Boston National Historic Sites Commission	405		16,560		17,203	17,825	
Corregidor Bataan Memorial Commission, salaries and expenses	610		44,000		49,937	46,000	1,000
Franklin Delano Roosevelt Memorial Commission	610	10,000			358	8,500	1,142
Jamestown-Williamsburg-Yorktown Celebration Commission	610	115,000	88,000		139,135	108,656	
John Marshall Bicentennial Celebration Commission	610				4,406		
Theodore Roosevelt Centennial Commission	610	140,000			39,380	60,400	32,800
Woodrow Wilson Centennial Celebration Commission	610	48,500			60,092	15,124	
Total, Historical and Memorial Commissions		593,500	148,560		597,100	322,949	34,942
INDIAN CLAIMS COMMISSION							
Current authorizations:							
Salaries and expenses	602	132,300	177,700	177,700	130,763	165,829	176,450
INTERSTATE COMMERCE COMMISSION							
Current authorizations:							
Salaries and expenses	519	14,879,696	16,750,000	17,500,000	14,623,774	16,623,013	17,511,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN							
Current authorizations:							
Contribution to Interstate Commission on the Potomac River Basin	213	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS							
Current authorizations:							
Salaries and expenses	513	62,676,500	71,000,000	80,480,000	63,701,996	71,000,000	78,500,000
Reappropriation	513	1,500,000					
Construction and equipment	513	14,000,000	35,000,000	26,220,000	11,217,543	17,305,123	19,500,000
Construction and equipment (liquidation of contract authorization)	513				12,883	33,771	
Construction and equipment, unitary plan	513				1,132,883	661,106	
Proposed for later transmission (under existing legislation):							
Salaries and expenses	513		5,000,000			4,500,000	500,000
Construction and equipment	513		6,780,000			500,000	2,000,000
Total, National Advisory Committee for Aeronautics		78,176,500	117,780,000	106,700,000	76,065,305	94,000,000	100,500,000
NATIONAL CAPITAL HOUSING AUTHORITY							
Current authorizations:							
Maintenance and operation of properties	516	38,000	38,000	45,500	34,304	38,000	41,000
NATIONAL CAPITAL PLANNING COMMISSION							
Current authorizations:							
Salaries and expenses	609	200,000	225,000	250,000	155,333	232,000	249,750
Salaries and expenses, Washington regional mass transportation survey	609	200,000			119,406	207,835	
Reappropriation	609	45,046	39,333				
Land acquisition, National Capital park, parkway, and playground system	609	1,250,000	1,393,000	1,120,000	240,217	3,143,444	1,119,480
Proposed for later transmission (under proposed legislation):							
Land acquisition, National Capital park, parkway, and playground system	609		3,400,000	751,000		400,000	3,751,000
Total, National Capital Planning Commission		1,695,046	5,057,333	2,121,000	514,956	3,983,279	5,120,230
NATIONAL LABOR RELATIONS BOARD							
Current authorizations:							
Salaries and expenses	211	8,951,500	9,384,800	9,985,000	8,969,334	9,481,142	9,814,260
NATIONAL MEDIATION BOARD							
Current authorizations:							
Salaries and expenses	211	475,500	520,000	520,000	460,812	521,234	520,000
Arbitration and emergency boards	211	250,000	250,000	250,000	216,162	219,965	250,000
Salaries and expenses, National Railroad Adjustment Board	211	486,500	525,000	525,000	462,187	527,132	525,000
Total, National Mediation Board		1,212,000	1,295,000	1,295,000	1,139,161	1,268,331	1,295,000
NATIONAL SCIENCE FOUNDATION							
Current authorizations:							
Salaries and expenses:							
(Promotion of education in the sciences)	214	15,299,786	15,511,540	81,870,000	13,863,794	15,748,736	51,932,544
(Promotion of scientific research)	215	24,700,214	24,488,460	58,130,000	16,324,731	20,651,264	45,667,456
International Geophysical Year	215				15,026,746	16,500,000	2,000,000
Public enterprise funds:							
Research and development of rubber program: Reappropriation	215	500,000			486,375	74,539	
Intragovernmental funds:							
Advances and reimbursements	215				51,337	13,663	
Proposed for later transmission (under existing legislation):							
Salaries and expenses:							
(Promotion of education in the sciences)	214		2,500,000			1,500,000	1,000,000
(Promotion of scientific research)	215		7,500,000			500,000	7,000,000
Total, National Science Foundation		40,500,000	50,000,000	140,000,000	45,752,983	54,988,202	107,600,000
NATIONAL SECURITY TRAINING COMMISSION							
Current authorizations:							
Salaries and expenses	211	50,000			34,079	2,836	
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE							
Permanent authorizations:							
Oliver Wendell Holmes devise fund (indefinite special account)	610	15,085	14,000	12,700	14,190	43,195	60,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
PRESIDENT'S ADVISORY COMMISSION ON PRESIDENTIAL OFFICE SPACE							
Current authorizations:							
Salaries and expenses	603	$20,000			$9,199	$2,353	
RAILROAD RETIREMENT BOARD							
Current authorizations:							
Limitation on salaries and expenses (trust fund)		(7,600,000)	($8,150,000)	($8,450,000)			
RENEGOTIATION BOARD							
Current authorizations:							
Salaries and expenses	604	3,675,000	3,000,000	2,900,000	3,524,904	3,048,729	$2,907,092
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION							
Public enterprise funds:							
Saint Lawrence Seaway Development Corporation fund (authorization to expend from debt receipts)	401		35,000,000		36,970,146	44,000,000	19,000,000
Limitation on administrative expenses	401	(325,000)	(400,000)	(440,000)			
SECURITIES AND EXCHANGE COMMISSION							
Current authorizations:							
Salaries and expenses	519	5,749,000	6,700,000	7,100,000	5,765,447	6,500,000	7,098,000
SELECTIVE SERVICE SYSTEM							
Current authorizations:							
Salaries and expenses	211	29,050,000	27,000,000	28,000,000	28,127,982	26,655,000	27,700,000
SMALL BUSINESS ADMINISTRATION							
Current authorizations:							
Salaries and expenses	518	1,906,000	2,235,000		1,672,698	2,303,992	795,532
Salaries and expenses, small defense plants activities	518					1,578	
Public enterprise funds:							
Revolving fund:							
(Business loans) (current appropriation)	518	83,000,000	86,000,000		67,239,091	85,919,500	−24,553,583
(Disaster loans and relief) (current appropriation)	521	12,000,000	14,000,000		7,184,209	9,576,000	−1,037,866
Revolving fund, small defense plants activities	518				−4,306	−107,620	
Liquidation of Reconstruction Finance Corporation loans:							
(Business loans)	518					−4,427,000	−3,509,000
(Disaster loans and relief)	521				−1,857,646	−1,637,000	−1,519,000
Proposed for later transmission (under proposed legislation):							
Salaries and expenses	518			2,800,000			1,904,000
Revolving fund:							
(Business loans)	518			36,000,000			82,220,583
(Disaster loans and relief)	521			14,000,000			9,087,866
Total, Small Business Administration		96,900,000	102,235,000	52,800,000	74,234,046	91,629,450	63,388,532
SMITHSONIAN INSTITUTION							
Current authorizations:							
Salaries and expenses	215	4,425,000	6,000,000	7,355,000	4,650,820	5,471,888	7,155,000
Additions to the Natural History Building	215		800,000			345,000	345,000
Museum of History and Technology	215	33,712,000			157,752	847,500	5,000,000
Salaries and expenses, National Gallery of Art	215	1,535,000	1,645,000	1,674,000	1,504,968	1,675,000	1,668,000
Intragovernmental funds:							
Advances and reimbursements	215				1,369	39,057	
Total, Smithsonian Institution		39,672,000	8,445,000	9,029,000	6,314,909	8,378,445	14,168,000
SUBVERSIVE ACTIVITIES CONTROL BOARD							
Current authorizations:							
Salaries and expenses	608	350,000	375,000	375,000	308,240	373,692	375,000
TARIFF COMMISSION							
Current authorizations:							
Salaries and expenses	151	1,575,000	1,700,000	1,810,000	1,553,309	1,701,526	1,804,502

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
TAX COURT OF THE UNITED STATES							
Current authorizations:							
Salaries and expenses	604	$1,365,000	$1,460,000	$1,481,000	$1,291,108	$1,462,459	$1,472,208
TENNESSEE VALLEY AUTHORITY							
Public enterprise funds:							
Tennessee Valley Authority fund (current appropriation)	401	5,357,000	13,317,000	16,850,000	−6,684,327	40,949,799	46,652,000
Proposed for later transmission (under proposed legislation):							
Tennessee Valley Authority fund (authorization to expend from debt receipts)	401			125,000,000			13,000,000
Total, Tennessee Valley Authority		5,357,000	13,317,000	141,850,000	−6,684,327	40,949,799	59,652,000
UNITED STATES INFORMATION AGENCY							
Current authorizations:							
Salaries and expenses	153	113,000,000	95,100,000	105,000,000	102,928,649	96,000,000	100,500,000
Acquisition and construction of radio facilities	153		1,100,000	5,032,000	563,054	2,000,000	4,400,000
Public enterprise funds:							
Informational media guaranty fund (authorization to expend from debt receipts)	153				4,384,393	2,145,599	2,612,783
Total, United States Information Agency		113,000,000	96,200,000	110,032,000	107,876,096	100,145,599	107,512,783
VETERANS ADMINISTRATION							
Current authorizations:							
General operating expenses	106	162,302,130	161,374,000	149,582,000	160,599,471	158,176,106	149,482,000
Medical administration and miscellaneous operating expenses	105	20,773,800	21,763,400	21,481,000	18,768,805	22,334,373	21,381,000
Inpatient care	105	663,900,000	702,000,000	707,100,000	662,621,551	700,513,469	706,100,000
Outpatient care	105	82,363,000	79,000,000	75,798,000	80,951,582	78,698,310	75,448,000
Maintenance and operation of supply depots	106	1,628,000	1,790,000	2,136,000	1,618,432	1,781,896	2,131,000
Compensation and pensions	103	2,893,650,000	2,826,250,000	3,232,000,000	2,869,989,443	2,851,312,325	3,232,000,000
Readjustment benefits:							
(Education and training)	101	779,236,393	691,492,000	625,297,000	774,019,969	699,376,972	625,648,000
(Other readjustment benefits)	102	73,263,607	92,555,000	92,663,000	73,263,607	92,555,000	93,095,598
Veterans' insurance and indemnities	104			51,100,000			52,306,736
Grants to the Republic of the Philippines	105	2,000,000	1,500,000	1,250,000	2,288,181	1,509,964	1,250,000
Construction of hospital and domiciliary facilities	105	51,635,000	42,500,000	9,145,000	32,592,535	34,322,884	35,971,470
Major alterations, improvements, and repairs	105	4,533,000	2,028,000		3,418,025	4,834,411	
Military and naval insurance	104	5,000,000	4,275,000		4,408,798	4,336,663	
National service life insurance	104	23,200,000	7,600,000		19,485,837	14,811,745	
Servicemen's indemnities	104	26,750,000	29,877,500		35,886,210	35,546,750	
Automobiles and other conveyances for disabled veterans	106	850,000			1,004,787	693,516	
Refund of repayments of subsistence allowances (indefinite)	102	30,000			19,871	10,129	
Military and naval family allowance	104				−10		
Permanent authorizations:							
National service life insurance	104	663,571	570,000		663,571	570,000	
Veterans' insurance and indemnities	104			570,000			570,000
Public enterprise funds:							
Canteen service revolving fund	106				−734,231	−313,811	−535,092
Direct loans to veterans and reserves (permanent authorization to expend from debt receipts)	517	149,343,482			76,760,035	144,550,424	−4,882,072
Rental, maintenance, and repair of quarters	106				−2,661	3,960	300
Service-disabled veterans insurance fund (current appropriation)	104	1,000,000	1,500,000		517,354	607,979	963,000
Soldiers' and sailors' civil relief fund	102				−619	5,125	10,000
Veterans special term insurance fund	104				−14,156,096	−14,390,995	−13,440,000
Vocational rehabilitation revolving fund	106				−8,497	−620	
Intragovernmental funds:							
Supply fund	106				1,404,248	−694,592	−614,721
Proposed for later transmission (under existing legislation):							
Inpatient care	105		4,200,000			4,200,000	
Maintenance and operation of supply depots	106		37,800			37,800	
Compensation and pensions	103		256,000,000			256,000,000	
Readjustment benefits	101		30,000,000			30,000,000	
Servicemen's indemnities	104		2,250,000			2,250,000	
Total, Veterans Administration		4,942,121,983	4,958,562,700	4,968,122,000	4,805,380,198	5,123,639,783	4,976,885,219
Total new obligational authority and budget expenditures		8,097,207,046	9,956,971,489	8,211,427,900	7,711,191,916	8,444,365,457	8,272,068,932

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$7,879,795,926	$7,563,255,390	$7,874,128,200			
Authorizations to expend from debt receipts			35,000,000				
Reappropriations		65,202,794	38,124,299	10,000,000	$7,711,191,916	$8,144,387,657	$8,111,595,483
Permanent authorizations:							
Appropriations		2,864,844	2,824,000	2,748,700			
Authorizations to expend from debt receipts		149,343,482					
Proposed for later transmission:							
Appropriations			317,767,800	199,551,000		299,977,800	160,473,449
Authorizations to expend from debt receipts			2,000,000,000	125,000,000			
Total new obligational authority and budget expenditures		8,097,207,046	9,956,971,489	8,211,427,900	7,711,191,916	8,444,365,457	8,272,068,932

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
ATOMIC ENERGY COMMISSION										
Defense production guaranties	518	$1	$1	$1	$145	$104	$65	−$144	−$103	−$64
EXPORT-IMPORT BANK OF WASHINGTON										
Export-Import Bank of Washington fund	152	256,838	796,155	561,936	350,519	396,207	504,936	−93,681	399,948	57,000
Liquidation of certain Reconstruction Finance Corporation assets	152	558	439	317	6,869	7,859	6,434	−6,311	−7,420	−6,117
Total, Export-Import Bank of Washington		257,396	796,594	562,253	357,388	404,066	511,370	−99,992	392,528	50,883
FARM CREDIT ADMINISTRATION										
Federal Farm Mortgage Corporation: Federal Farm Mortgage Corporation fund	352	85	12	6	642	2,004	2,042	−557	−1,992	−2,036
Federal intermediate credit banks:										
Operating fund	352	1,217,762			1,244,774			−27,012		
Production credit associations investment fund	352	50	500	1,000	10	300	400	40	200	600
Agricultural marketing revolving fund	352				2,736	5,726	5,000	−2,736	−5,726	−5,000
Total, Farm Credit Administration		1,217,897	512	1,006	1,248,162	8,030	7,442	−30,265	−7,518	−6,436
FEDERAL CIVIL DEFENSE ADMINISTRATION										
Civil defense procurement fund	520	961	1,232	738	1,696	764	716	−735	468	22
FEDERAL HOME LOAN BANK BOARD										
Revolving fund	517	5,142	6,939	8,055	5,171	6,866	8,101	−29	73	−46
Federal Savings and Loan Insurance Corporation: Revolving fund	517	1,003	1,208	1,400	34,366	39,667	44,525	−33,363	−38,459	−43,125
Home Owners' Loan Corporation fund	517	6	5	5				6	5	5
Total, Federal Home Loan Bank Board		6,151	8,152	9,460	39,537	46,533	52,626	−33,386	−38,381	−43,166
NATIONAL SCIENCE FOUNDATION										
Research and development of rubber program	215	486	75					486	75	
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION										
Saint Lawrence Seaway Development Corporation fund	401	47,299	47,917	23,832	10,329	3,917	4,832	36,970	44,000	19,000

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
SMALL BUSINESS ADMINISTRATION										
Revolving fund	518	$88,588	$131,602	$42,783	$21,349	$45,683	$67,337	$67,239	$85,919	−$24,554
(Disaster loans and relief)	521	13,703	16,356	6,135	6,519	6,780	7,173	7,184	9,576	−1,038
Revolving fund, small defense plants activities	518				4	108		−4	−108	
Reconstruction Finance Corporation liquidation fund:										
Business loans	518		473	366		4,900	3,875		−4,427	−3,509
Disaster loans and relief	521	680	628	511	2,538	2,265	2,030	−1,858	−1,637	−1,519
Proposed for later transmission (under proposed legislation):										
Revolving fund	518			84,009			1,788			82,221
(Disaster loans and relief)	521			9,373			285			9,088
Total, Small Business Administration		102,971	149,059	143,177	30,410	59,736	82,487	72,561	89,323	60,690
TENNESSEE VALLEY AUTHORITY										
Tennessee Valley Authority fund	401	252,505	309,511	326,589	259,189	268,561	279,937	−6,684	40,950	46,652
Proposed for later transmission (under proposed legislation):										
Tennessee Valley Authority fund	401			13,000						13,000
Total, Tennessee Valley Authority		252,505	309,511	339,589	259,189	268,561	279,937	−6,684	40,950	59,652
UNITED STATES INFORMATION AGENCY										
Informational media guaranty fund	153	9,357	7,537	8,563	4,973	5,391	5,950	4,384	2,146	2,613
VETERANS ADMINISTRATION										
Canteen service revolving fund	106	31,260	32,232	31,840	31,994	32,546	32,375	−734	−314	−535
Direct loans to veterans and reserves	517	130,198	207,970	70,609	53,438	63,420	75,491	76,760	144,550	−4,882
Rental, maintenance, and repair of quarters	106	77	84	80	80	80	80	−3	4	
Service-disabled veterans' insurance fund	104	5,310	6,695	8,060	4,793	6,087	7,097	517	608	963
Soldiers' and sailors' civil relief	102	24	20	20	25	15	10	−1	5	10
Veterans' special term insurance fund	104	8,225	7,889	7,974	22,381	22,280	21,414	−14,156	−14,391	−13,440
Vocational rehabilitation, revolving fund	106	334	300	300	342	301	300	−8	−1	
Total, Veterans Administration		175,428	255,190	118,883	113,053	124,729	136,767	62,375	130,461	−17,884
Total, public enterprise funds		2,070,452	1,575,780	1,207,502	2,064,882	921,831	1,082,192	5,570	653,949	125,310

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
ADVISORY COMMITTEE ON WEATHER CONTROL											
Current authorizations:											
Salaries and expenses		$55		$113							
AIRWAYS MODERNIZATION BOARD											
Current authorizations:											
Salaries and expenses						$10,592	$35,000	$18,600	$9,400		$17,592
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION											
Current authorizations:											
Salaries and expenses					$6	10			10		
AMERICAN BATTLE MONUMENTS COMMISSION											
Current authorizations:											
Salaries and expenses		118		154		194	1,250	1,090	130		224
Construction of memorials and cemeteries	$7,423	10,316	$6,124	8,556	$3,374	7,306			3,000		4,306
Dedication of World War II memorials	119	123									
Total, American Battle Monuments Commission	7,542	10,557	6,124	8,710	3,374	7,500	1,250	1,090	3,130		4,530
ATOMIC ENERGY COMMISSION											
Current authorizations:											
Operating expenses		622,191		700,445		843,847	2,298,000	1,466,153	843,847		831,847
Plant acquisition and construction	375,810	728,746	308,029	584,226	65,287	492,388			220,000		272,388
Public enterprise funds:											
Defense production guaranties	197	197	341	341	445	445			−64	$509	509
Intragovernmental funds:											
Advances and reimbursements				54							
Proposed for later transmission (under proposed legislation):											
Plant acquisition and construction							120,000	20,000			100,000
Total, Atomic Energy Commission	376,007	1,351,134	308,370	1,285,066	65,732	1,336,680	2,418,000	1,486,153	1,063,783	509	1,204,744
CENTRAL INTELLIGENCE AGENCY											
Current authorizations:											
Construction	3,514	5,490	47,138	52,861	43,241	45,141			13,855	1,756	31,286
CIVIL SERVICE COMMISSION											
Current authorizations:											
Salaries and expenses		1,066		1,007		1,061	18,420	17,289	1,061		1,131
Investigations of United States citizens for employment by international organizations		42		44		47	383	346	47		37
Annuities, Panama Canal construction employees and lighthouse service widows		176		298		190	2,328	2,141	190		187
Intragovernmental funds:											
Investigations	3,712	3,545	3,607	3,768	3,488	3,073			55	3,570	3,018
Total, Civil Service Commission	3,712	4,829	3,607	5,117	3,488	4,371	21,131	19,776	1,353	3,570	4,373
COMMISSION ON CIVIL RIGHTS											
Current authorizations:											
Salaries and expenses							750	675			75

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
COMMISSION ON GOVERNMENT SECURITY											
Current authorizations:											
Salaries and expenses	$135	$160		$52							
COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS											
Current authorizations:											
Commission on Increased Industrial Use of Agricultural Products				9							
COMMISSION ON INTERGOVERNMENTAL RELATIONS											
Current authorizations:											
Salaries and expenses		1									
DISTRICT OF COLUMBIA AUDITORIUM COMMISSION											
Current authorizations:											
Salaries and expenses				6							
EXPORT-IMPORT BANK OF WASHINGTON											
Public enterprise funds:											
Export-Import Bank of Washington fund:											
Cash		1,024		43,704		$2,856			$1,500		$1,356
Authorization to expend from debt receipts	2,039,776	2,793,500	$1,323,078	2,822,000	$806,853	2,440,400			55,500	$595,255	[1] 2,362,400
Liquidation of certain Reconstruction Finance Corporation assets	88		78		59				−6,117	45	[2]
Proposed for later transmission (under proposed legislation):											
Export-Import Bank of Washington fund (authorization to expend from debt receipts)					2,000,000	2,000,000				1,800,000	2,000,000
Total, Export-Import Bank of Washington	2,039,864	2,794,524	1,323,156	2,865,704	2,806,912	4,443,256			50,883	2,395,300	4,363,756
FARM CREDIT ADMINISTRATION											
Permanent authorizations:											
Administrative expenses (indefinite special account)	984	1,084	1,137	1,247	1,137	1,247	$2,125	$2,016	109	1,137	1,247
Public enterprise funds:											
Federal Farm Mortgage Corporation: Federal Farm Mortgage Corporation fund:											
Cash	2,539	2,593	1,073	1,120	532	573			−2,006	343	[3] 378
Authorization to expend from debt receipts	499,705	499,705	499,735	499,735					−30		
Federal intermediate credit banks:											
Federal intermediate credit banks investment fund			40,000	40,000	40,000	40,000				40,000	40,000
Operating fund:											
Cash	111,498	112,048									
Authorization to expend from debt receipts	273,382	273,382									
Federal intermediate credit banks revolving fund	37,300	37,300									
Production credit associations investment fund			58,130	58,130	57,930	57,930			600	57,330	57,330
Agricultural marketing revolving fund	35,865	35,865	38,600	38,600	44,326	44,326			−5,000	49,326	49,326
Farm Credit Administration revolving fund	60,765	60,765									
Total, Farm Credit Administration	1,022,038	1,022,742	638,675	638,832	143,925	144,076	2,125	2,016	−6,327	148,136	148,281

[1] Excludes capital transfer in 1959 of $22,500 thousand.

[2] Excludes capital transfer of $7 thousand and unobligated balance no longer available of $6,110 thousand in 1959.

[3] Excludes capital transfer of $2,200 thousand and unobligated balance rescinded of $30 thousand in 1959.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FEDERAL CIVIL DEFENSE ADMINISTRATION											
Current authorizations:											
Operations		$2,887		$2,653		$4,653	$19,400	$15,000	$3,000		$6,053
Emergency supplies and equipment		26,720		39,244		4,244	18,000	5,756	4,244		12,244
Research and development	$6,929	8,866	$9,043	13,834	$1,500	10,794	4,400	1,000	4,500		9,694
Federal contributions	8,993	16,729	14,022	25,030	17,000	34,030			10,000		24,030
Salaries and expenses, civil defense functions of Federal agencies		286		607							
Public enterprise funds:											
Civil defense procurement fund	2,953	4,171	4,374	4,905	986	937			22	$912	915
Proposed for later transmission (under proposed legislation):											
Civil defense assistance to States							26,000	20,000			6,000
Total, Federal Civil Defense Administration	18,875	59,659	27,439	86,273	19,486	54,658	67,800	41,756	21,766	912	58,936
FEDERAL COAL MINE SAFETY BOARD OF REVIEW											
Current authorizations:											
Salaries and expenses		2		2		2	70	68	2		2
FEDERAL COMMUNICATIONS COMMISSION											
Current authorizations:											
Salaries and expenses		344		399		450	8,950	8,450	450		500
FEDERAL DEPOSIT INSURANCE CORPORATION											
Current authorizations:											
Investment in Federal Deposit Insurance Corporation (authorization to expend from debt receipts)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				3,000,000	3,000,000
FEDERAL HOME LOAN BANK BOARD											
Public enterprise funds:											
Federal Home Loan Bank Board revolving fund:											
Cash	345	317	315	346	265	274			−46	356	320
Authorization to expend from debt receipts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				1,000,000	1,000,000
Federal Savings and Loan Insurance Corporation: Revolving fund:											
Cash	252,883	257,812	270,218	275,979	290,620	297,175			−43,125	313,363	[1] 320,847
Authorization to expend from debt receipts	750,000	750,000	750,000	750,000	750,000	750,000				750,000	750,000
Home Owners' Loan Corporation fund		626		566		501			5		436
Total, Federal Home Loan Bank Board	2,003,228	2,008,755	2,020,533	2,026,891	2,040,885	2,047,950			−43,166	2,063,719	2,071,603
FEDERAL MEDIATION AND CONCILIATION SERVICE											
Current authorizations:											
Salaries and expenses		208		187		178	3,695	3,474	178		221
FEDERAL POWER COMMISSION											
Current authorizations:											
Salaries and expenses		275		281		320	6,385	5,922	288		495
Permanent authorizations:											
Payments to States under Federal Power Act (indefinite special account)		33		44		40	41		40		41
Proposed for later transmission (under existing legislation):											
Salaries and expenses						10			10		
Total, Federal Power Commission		308		325		370	6,426	5,922	338		536

[1] Excludes capital transfer of $19,453 thousand and unobligated balance no longer available of $60 thousand in 1959.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FEDERAL TRADE COMMISSION											
Current authorizations:											
Salaries and expenses		$204		$314		$335	$6,025	$5,675	$335		$350
FOREIGN CLAIMS SETTLEMENT COMMISSION											
Current authorizations:											
Salaries and expenses				57		50	565	515	50		50
Payment of Korean claims		33		6							
Total, Foreign Claims Settlement Commission		33		63		50	565	515	50		50
GENERAL ACCOUNTING OFFICE											
Current authorizations:											
Salaries and expenses		1,519		1,560		2,190	38,300	35,546	2,190		2,754
HISTORICAL AND MEMORIAL COMMISSIONS											
Current authorizations:											
Alexander Hamilton Bicentennial Commission	$69	73	$26	31							
Booker T. Washington Centennial Commission			35	35							
Boston National Historic Sites Commission	35	35		1							
Corregidor Bataan Memorial Commission, salaries and expenses	54	55		3		1			1		
Franklin Delano Roosevelt Memorial Commission			10	10		1			1		
Jamestown-Williamsburg-Yorktown Celebration Commission		57		21							
John Marshall Bicentennial Celebration Commission		5									
Theodore Roosevelt Centennial Commission			98	101	$38	41			33	$3	8
Woodrow Wilson Centennial Celebration Commission	21	27		15							
Total, historical and memorial commissions	179	252	169	217	38	43			35	3	8
INDIAN CLAIMS COMMISSION											
Current authorizations:											
Salaries and expenses		4		4		5	178	172	5		6
INTERSTATE COMMERCE COMMISSION											
Current authorizations:											
Salaries and expenses		685		916		1,043	17,500	16,468	1,043		1,032
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN											
Current authorizations:											
Contribution to Interstate Commission on the Potomac River Basin							5	5			
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS											
Current authorizations:											
Salaries and expenses		6,150		6,624		6,624	80,480	72,500	6,000		8,604
Construction and equipment	13,221	25,946	8,379	28,717	18,545	46,412	26,220	500	19,000	14,815	53,132
Construction and equipment (liquidation of contract authorization)				34							
Construction and equipment, unitary plan	787	1,896	268	763							
Proposed for later transmission (under existing legislation):											
Salaries and expenses						500			500		
Construction and equipment					4,480	6,280			2,000		4,280
Total, National Advisory Committee for Aeronautics	14,008	33,992	8,647	36,138	23,025	59,816	106,700	73,000	27,500	14,815	66,016

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
NATIONAL CAPITAL HOUSING AUTHORITY											
Current authorizations:											
Maintenance and operation of properties		$2		$6		$6	$46	$35	$6		$11
NATIONAL CAPITAL PLANNING COMMISSION											
Current authorizations:											
Salaries and expenses		14		22		15	250	235	15		15
Salaries and expenses, Washington regional mass transportation survey		82		169							
Land acquisition, National Capital park, parkway, and playground system	$973	1,340	$1,206	2,350	$99	599	1,120	520	599		600
Proposed for later transmission (under proposed legislation):											
Land acquisition, National Capital park, parkway, and playground system						3,000	751	751	3,000		
Total, National Capital Planning Commission	973	1,436	1,206	2,541	99	3,614	2,121	1,506	3,614		615
NATIONAL LABOR RELATIONS BOARD											
Current authorizations:											
Salaries and expenses		548		521		425	9,985	9,390	425		595
NATIONAL MEDIATION BOARD											
Current authorizations:											
Salaries and expenses		27		31		30	520	490	30		30
Arbitration and emergency boards		10		20		20	250	230	20		20
Salaries and expenses, National Railroad Adjustment Board		35		52		50	525	475	50		50
Total, National Mediation Board		72		103		100	1,295	1,195	100		100
NATIONAL SCIENCE FOUNDATION											
Current authorizations:											
Salaries and expenses	183	9,010	1,553	18,821		22,422	140,000	82,800	14,800		64,822
International Geophysical Year	32,374	33,786	17,337	18,759	604	2,259			2,000	$46	259
Public enterprise funds:											
Research and development of rubber program		120		75							
Intragovernmental funds:											
Advances and reimbursements		65		14							
Proposed for later transmission (under existing legislation):											
Salaries and expenses						8,000			8,000		
Total, National Science Foundation	32,557	42,981	18,890	37,669	604	32,681	140,000	82,800	24,800	46	65,081
NATIONAL SECURITY TRAINING COMMISSION											
Current authorizations:											
Salaries and expenses		5		3							
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE											
Permanent authorizations:											
Oliver Wendell Holmes devise fund (indefinite special account)	434	434	434	434	405	405	13		60	358	358
PRESIDENT'S ADVISORY COMMISSION ON PRESIDENTIAL OFFICE SPACE											
Current authorizations:											
Salaries and expenses				2							

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
RENEGOTIATION BOARD											
Current authorizations:											
Salaries and expenses		$224		$206		$157	$2,900	$2,755	$152		$150
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION											
Public enterprise funds:											
Saint Lawrence Seaway Development Corporation fund:											
Cash		4,850		180		280					280
Authorization to expend from debt receipts	$30,428	89,000	$9,201	56,700	$25,363	47,600			19,000	$17,763	28,600
Total, Saint Lawrence Seaway Development Corporation	30,428	93,850	9,201	56,880	25,363	47,880			19,000	17,763	28,880
SECURITIES AND EXCHANGE COMMISSION											
Current authorizations:											
Salaries and expenses		327		298		498	7,100	6,600	498		500
SELECTIVE SERVICE SYSTEM											
Current authorizations:											
Salaries and expenses		1,848		2,402		2,747	28,000	25,316	2,384		3,047
SMALL BUSINESS ADMINISTRATION											
Current authorizations:											
Salaries and expenses		723		906		837			795		42
Salaries and expenses, small defense plants activities				2							
Public enterprise funds:											
Revolving fund	6,768	43,866	4,109	64,443	16,450	68,947			−25,591		12,167
Revolving fund, small defense plants activities	1,369	1,256	108								
Liquidation of Reconstruction Finance Corporation loans	33	158	−82	40	2,596	2,428			−5,028	2,607	[5] 2,206
Proposed for later transmission (under proposed legislation):											
Salaries and expenses							2,800	1,904			896
Revolving fund							50,000	40,000	51,308		41,063
Total, Small Business Administration	8,170	46,003	4,135	65,391	19,046	72,212	52,800	41,904	21,484	2,607	56,374
SMITHSONIAN INSTITUTION											
Current authorizations:											
Salaries and expenses		1,147		923		1,451	7,355	5,712	1,443		1,651
Additions to the Natural History Building					180	455			345	100	110
Museum of History and Technology	888	2,245	34,557	35,800	34,265	34,952			5,000	3,066	29,952
Salaries and expenses, National Gallery of Art		81		111		81	1,674	1,588	80		87
Intragovernmental funds:											
Advances and reimbursements	25	40	16	39							
Total, Smithsonian Institution	913	3,513	34,573	36,873	34,445	36,939	9,029	7,300	6,868	3,166	31,800
SUBVERSIVE ACTIVITIES CONTROL BOARD											
Current authorizations:											
Salaries and expenses		9		14		15	375	360	15		15
TARIFF COMMISSION											
Current authorizations:											
Salaries and expenses		70		87		85	1,810	1,720	85		90
TAX COURT OF THE UNITED STATES											
Current authorizations:											
Salaries and expenses		52		62		60	1,481	1,417	55		69

[5] Excludes capital transfer of $4,100 thousand and unobligated balance no longer available of $1,150 thousand in 1959.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
TENNESSEE VALLEY AUTHORITY											
Public enterprise funds:											
Tennessee Valley Authority fund	$83,954	$129,902	$6,695	$102,434	−$36,028	$62,465	$16,850	$16,850	$29,802	−$15,501	[6] $30,600
Proposed for later transmission (under proposed legislation):											
Tennessee Valley Authority fund (authorization to expend from debt receipts)							125,000	13,000		66,000	112,000
Total, Tennessee Valley Authority	83,954	129,902	6,695	102,434	−36,028	62,465	141,850	29,850	29,802	50,499	142,600
UNITED STATES INFORMATION AGENCY											
Current authorizations:											
Salaries and expenses		15,580		25,422		24,522	105,000	81,900	18,600		29,022
Acquisition and construction of radio facilities	5,983	6,428	5,139	5,865	2,529	4,965	5,032	1,900	2,500		5,597
Public enterprise funds:											
Informational media guaranty fund:											
Cash		37		77		[7]			−12		19
Authorization to expend from debt receipts	9,239	19,437	5,472	15,013	2,538	12,937			2,625	7	10,312
Total, United States Information Agency	15,222	41,482	10,611	46,377	5,067	42,431	110,032	83,800	23,713	7	44,950
VETERANS ADMINISTRATION											
Current authorizations:											
General operating expenses		9,075		8,677		8,800	149,582	140,682	8,800		8,900
Medical administration and miscellaneous operating expenses		1,705		3,071		2,500	21,481	18,881	2,500		2,600
Inpatient care		33,466	−581	34,514		36,000	707,100	670,100	36,000		37,000
Outpatient care		6,873		6,698		7,000	75,798	69,398	6,050		7,350
Maintenance and operation of supply depots		83		92		100	2,136	2,031	100		105
Compensation and pensions	7,744	4,902	25,031	28,562		3,500	3,232,000	3,228,500	3,500		3,500
Readjustment benefits	7,967	5,169	7,663	10,385		2,500	717,960	715,560	3,184		[7] 2,400
Veterans' insurance and indemnities							51,100	50,997	1,310		[7] 150
Grants to the Republic of the Philippines	300	300	10	10			1,250	1,250			
Construction of hospital and domiciliary facilities	89,664	131,332	123,418	150,374	104,942	158,551	9,145	1,375	34,596	66,967	[7] 136,232
Major alterations, improvements, and repairs	4,104	6,199	4,876	7,314	2,880	4,507					(7)
Military and naval insurance	140	145	726	713	651	651					(7)
National service life insurance	4,075	4,053	7,793	7,767	556	556					(7)
Servicemen's indemnities	14,822	14,955	5,680	5,819		150					(7)
Automobiles and other conveyances for disabled veterans	920	1,426	850	1,377	234	684					(7)
Military and naval family allowance			10	10							
Permanent authorizations:											
Veterans insurance and indemnities							570	570			
Public enterprise funds:											
Canteen service revolving fund	3,037	5,501	3,105	5,622	2,453	5,191			−535	2,139	[8] 4,927
Direct loans to veterans and reserves (authorization to expend from debt receipts)	152,972	180,277	203,478	252,861	40,841	108,310			−4,882	53,692	[9] 73,092
Rental, maintenance, and repair of quarters	4	4	2	6	2	2				2	2
Service-disabled veterans insurance fund	−2,879	637	−4,924	1,120	−7,230	2,012			963	−11,613	1,049
Soldiers' and sailors' civil relief	446	446	447	447	442	442			10	432	432
Veterans special term insurance fund	12,466	20,912	22,211	35,068	34,573	49,459			−13,440	46,754	62,899
Vocational rehabilitation, revolving fund	607	609	317	317	318	318				318	318
Intragovernmental funds:											
Supply fund	2,705	14,285	−3,358	8,646	−1,837	8,340			−615	−1,172	8,955
Total, Veterans Administration	299,094	442,354	396,754	569,470	178,825	399,573	4,968,122	4,899,344	77,541	157,519	349,911
Total, independent offices	8,960,847	11,100,569	7,866,357	10,931,532	8,377,938	11,861,009	8,211,428	6,914,653	1,357,415	7,860,685	11,701,797

[6] Excludes capital transfer in 1959 of $2,063 thousand.

[7] Represents transfers between accounts.

[8] Excludes capital transfer in 1959 of $799 thousand.

[9] Excludes unobligated balance no longer available in 1959 of $40,100 thousand.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$588,665	$1,756,317	$630,011	$1,849,182	$297,473	$1,835,991				$88,248	$1,614,865
Authorizations to expend from debt receipts	7,755,623	8,605,459	6,790,960	8,396,349	5,628,250	7,361,675				5,419,369	7,226,610
Revolving and management funds:							$7,886,877	$6,818,998	$1,292,597		
Public enterprise funds	610,117	720,858	445,121	673,480	446,084	634,140				484,670	[10] 584,110
Intragovernmental funds	6,442	17,935	265	12,521	1,651	11,413				2,398	11,973
Proposed for later transmission:											
Appropriations					4,480	17,790	324,551	95,655	64,818		152,239
Authorizations to expend from debt receipts					2,000,000	2,000,000				1,866,000	2,112,000
Total, independent offices	8,960,847	11,100,569	7,866,357	10,931,532	8,377,938	11,861,009	8,211,428	6,914,653	1,357,415	7,860,685	11,701,797

[10] Excludes capital transfers of $51,122 thousand, unobligated balance no longer available of $47,420 thousand, and unobligated balance rescinded of $30 thousand in 1959.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$1,756,317	$1,849,182	$1,835,991
Authorizations to expend from debt receipts	8,605,459	8,396,349	7,361,675
Revolving and management funds	738,793	686,001	645,553
Proposed for later transmission:			
Appropriations			17,790
Authorizations to expend from debt receipts			2,000,000
Total balances brought forward	11,100,569	10,931,532	11,861,009
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	7,879,796	7,563,255	7,874,128
Authorizations to expend from debt receipts		35,000	
Reappropriations	65,203	38,124	10,000
Total new obligational authority under current authorizations	7,944,999	7,636,379	7,884,128
Permanent authorizations:			
Appropriations	2,865	2,824	2,749
Authorizations to expend from debt receipts	149,343		
Total new obligational authority under permanent authorizations	152,208	2,824	2,749
Total new obligational authority enacted or recommended	8,097,207	7,639,203	7,886,877
Proposed for later transmission:			
Appropriations		317,768	199,551
Authorizations to expend from debt receipts		2,000,000	125,000
Total new obligational authority proposed for later transmission		2,317,768	324,551
Total new obligational authority	8,097,207	9,956,971	8,211,428
Other amounts available:			
Restored from certified claims account	1,333		
Net transfers of balances from other agencies		3,479	
Total budget authorizations available	19,199,109	20,891,982	20,072,437
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	7,711,192	8,144,388	6,818,998
Out of balances of prior obligational authority			1,292,597
Total expenditures from obligational authority enacted or recommended	7,711,192	8,144,388	8,111,595
From obligational authority proposed for later transmission:			
Out of new obligational authority		299,978	95,655
Out of balances of prior obligational authority			64,818
Total expenditures from obligational authority proposed for later transmission		299,978	160,473
Total budget expenditures	7,711,192	8,444,365	8,272,069
Amounts no longer available:			
Unobligated balances rescinded	416,242	499,764	30
Unobligated balances expiring and lapsing	54,588	25,582	47,420
Capital transfers from revolving funds to receipts accounts	81,862	61,260	51,122
Adjustment of balances downward in expired accounts, net	3,693		
Total amounts no longer available	556,385	586,606	98,572
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	1,849,182	1,835,991	1,614,865
Authorizations to expend from debt receipts	8,396,349	7,361,675	7,226,610
Revolving and management funds	686,001	645,553	596,083
Proposed for later transmission:			
Appropriations		17,790	152,239
Authorizations to expend from debt receipts		2,000,000	2,112,000
Total balances carried forward at close of year	10,931,532	11,861,009	11,701,797
Obligations incurred, net	$8,639,005	$8,861,165	$8,630,109

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[ADVISORY COMMITTEE ON WEATHER CONTROL]

Current authorizations:

[SALARIES AND EXPENSES]

[To complete its final report to the President and the Congress as provided by law, $100,000: *Provided*, That the Committee shall complete its report and terminate its activities by December 31, 1957.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Evaluation of experiments in weather modification (total obligations)	$306,783	$100,000	
Financing:			
Unobligated balance no longer available	13,696		
New obligational authority	320,479	100,000	
New obligational authority:			
Appropriation	$300,000	$100,000	
Reappropriation	20,479		

The Committee completed its work as of December 31, 1957.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	12	3	
	Full-time equivalent of all other positions	3	4	
	Average number of all employees	13	5	
	Number of employees at end of year	8	0	
	Average GS grade and salary	6.1 $4,407	7.5 $4,983	
01	Personal services:			
	Permanent positions	$39,586	$11,240	
	Positions other than permanent	23,618	21,800	
	Other personal services	2,989	3,760	
	Total personal services	66,193	36,800	
02	Travel	22,847	10,000	
03	Transportation of things	1,739		
04	Communication services	2,765	1,180	
05	Rents and utility services	19		
06	Printing and reproduction	3,337	20,000	
07	Other contractual services	128,705	21,000	
	Services performed by other agencies	79,586	10,000	
08	Supplies and materials	964	500	
11	Grants, subsidies, and contributions		475	
15	Taxes and assessments	628	45	
	Total obligations	306,783	100,000	

AIRWAYS MODERNIZATION BOARD

Current authorizations:

EXPENSES

For necessary expenses of the Airways Modernization Board, including hire of passenger motor vehicles and aircraft, and expenses of attendance at meetings concerned with the work of the Board, $35,000,000, to remain available until expended. (*71 Stat. 349.*)

Appropriated 1958, **$0** Estimate 1959, **$35,000,000**
Appropriated (adjusted) 1958, **$15,137,130**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operations analysis		$2,120,696	$2,942,605
2. Systems analysis		2,948,439	3,801,000
3. Systems experimentation		1,852,749	12,495,000
4. Component development		8,043,130	536,290
5. Executive direction and administration		$383,256	$15,225,105
Total obligations		15,348,270	35,000,000
Financing:			
Comparative transfers from (−) other accounts		−211,140	
New obligational authority		15,137,130	35,000,000
New obligational authority:			
Appropriation		$0	$35,000,000
Transferred (31 U. S. C. 581c) from—			
"Air navigation development," Civil Aeronautics Administration		1,288,860	
"Research and development," Department of the Air Force		5,293,000	
"Research and development," Department of the Navy		1,607,414	
"Research and development," Department of the Army		1,247,856	
"Aircraft and missile support," Department of the Air Force		5,700,000	
Appropriation (adjusted)		15,137,130	35,000,000

The Airways Modernization Board was established by the Airways Modernization Act of 1957 to conduct research and development on facilities required to modernize the national air traffic control and navigation system to meet the growing needs of civil and military aviation. The Departments of Commerce and Defense have carried on work in this area in the past. As authorized by the act, this work is being transferred to the Board during 1958. Systems and devices developed by the Board will be installed and used by both the Civil Aeronautics Administration, which is responsible for operation of the Federal airways system, and the Department of Defense.

The 1959 estimate is for an accelerated research and development program aimed primarily at increasing the traffic handling capacity of the Federal airways to accommodate efficiently and safely the air traffic forecast for the future. Work on this program will be performed largely by contract with private firms.

1. *Operations analysis.*—These projects will be directed mainly at analyzing present airways systems, measuring their performance, and identifying bottlenecks, as a basis for research and development to meet future requirements.

2. *Systems analysis.*—These projects include theoretical studies of the effectiveness and feasibility of existing and proposed airways systems and components, including traffic control procedures, navigation aids, communications, and radar. These analyses will make use of an electronic air traffic simulator to be ordered in 1958. Funds to complete construction of this device are included in the 1959 estimate.

3. *Systems experimentation.*—These projects cover the actual flight testing of new equipments, procedures and other parts of proposed airways systems. The principal expense in 1959 will be for the establishment of a test center.

4. *Component development.*—These projects include research and development on new kinds of electronic and other equipment and facilities necessary to increase the capacity and efficiency of the airways system. Work will be continued in 1959 on the development of a device to process and display aircraft position and other control information in traffic control centers. Work will also be done to develop improved air navigation systems, traffic control radar, communications, and other airways facilities.

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AIRWAYS MODERNIZATION BOARD—Continued

Current authorizations—Continued

EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		106	371
Full-time equivalent of all other positions		15	19
Average number of all employees		60	267
Number of employees at end of year		106	364
Average GS grade and salary		11. 9 $9,062	10. 6 $7,253
Average salary of ungraded positions			$4,006
01 Personal services:			
Permanent positions		$697,367	$1,962,652
Positions other than permanent		230,000	300,000
Other personal services		80,062	103,000
Total personal services		1,007,429	2,365,652
02 Travel		121,211	302,900
03 Transportation of things		12,625	17,500
04 Communications services		29,212	40,000
06 Printing and reproduction		15,038	30,000
07 Contractual services		6,288,682	10,737,500
Services performed by other agencies		5,490,705	8,942,500
08 Supplies and materials		17,013	15,000
09 Equipment		2,317,746	7,910,272
10 Lands and structures			4,500,000
11 Grants, subsidies, and contributions		48,609	138,676
Total obligations		15,348,270	35,000,000

[ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION]

Current authorizations:

[SALARIES AND EXPENSES]

[For expenses necessary for the Alaska International Rail and Highway Commission, established by the Act of August 1, 1956 (70 Stat. 888), including reimbursement to the "Emergency Fund for the President, National Defense" for allocations made pursuant to section 8 of said Act, $60,000, to remain available until August 31, 1958.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$60,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Study of rail and highway routes (total obligations)		$54,000	$6,000
Financing:			
Unobligated balance brought forward			−6,000
Unobligated balance carried forward		6,000	
Appropriation (new obligational authority)		60,000	

The Commission was established to study the economic and military feasibility of additional rail and highway connections between the United States and Alaska. Its final report to the Congress is due by August 1, 1958. The basic act provided authorization of $75,000.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		4	4
Average number of all employees		3	1
Number of employees at end of year		4	
Average salary of ungraded positions		$9,819	$9,819
01 Personal services: Permanent positions		$30,000	$3,550
02 Travel		13,800	
04 Communication services		950	200
06 Printing and reproduction		600	1,500
07 Other contractual services		5,600	450
08 Supplies and materials		500	50
09 Equipment		500	
11 Grants, subsidies, and contributions		2,050	250
Total obligations		54,000	6,000

AMERICAN BATTLE MONUMENTS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, [as authorized by the Act of June 26, 1946 (36 U. S. C. 121, 123–132, 138), as amended by the Act of July 25, 1956 (70 Stat. 640)] *not otherwise provided for, of the American Battle Monuments Commission,* including the acquisition of land or interest in land in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its Territories and possessions; not to exceed [$65,000] *$70,000* for expenses of travel; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; $1,250,000: *Provided,* That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further,* That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further,* That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it. (*36 U. S. C. 121, 123–132, 138; 70 Stat. 640; 71 Stat. 344; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$1,250,000** Estimate 1959, **$1,250,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental administration	$65,561	$84,098	$79,400
2. World War I memorials and cemeteries	391,623	396,565	388,100
3. World War II memorials and cemeteries	699,767	761,663	773,300
4. Latin American memorials and cemeteries	7,372	7,674	9,200
Total obligations	1,164,323	1,250,000	1,250,000
Financing:			
Comparative transfers from (−) other accounts	−32,758		
Unobligated balance no longer available	8,435		
Appropriation (new obligational authority)	1,140,000	1,250,000	1,250,000

The Commission is responsible for the maintenance and operation of all permanent United States military cemeteries and memorials located in foreign countries.

These are 8 World War I cemeteries, a memorial chapel in each cemetery, 11 World War I memorials outside the cemeteries, 14 World War II cemeteries and memorials, the United States National Cemetery, Mexico City, Mexico, and the Santiago (Cuba) surrender tree site.

Object Classification

	1957 actual	1958 estimate	1959 estimate
AMERICAN BATTLE MONUMENTS COMMISSION			
Total number of permanent positions	413	424	439
Full-time equivalent of all other positions	11	32	17
Average number of all employees	418	445	445
Number of employees at end of year	438	451	451
Average GS grade and salary	5. 3 $4,336	5. 3 $4,349	5. 4 $4,374
Average salary of ungraded positions	$1,536	$1,543	$1,549
01 Personal services:			
Permanent positions	$706,523	$754,704	$779,205
Positions other than permanent	11,689	37,526	20,510
Other personal services	81,731	90,689	91,910
Total personal services	799,943	882,919	891,625
02 Travel	47,433	49,757	70,000
03 Transportation of things	7,736	11,676	5,000
04 Communication services	7,852	8,472	8,000
05 Rents and utility services	36,345	36,896	36,000
06 Printing and reproduction	6,173	5,671	5,000
07 Other contractual services	118,176	100,854	80,000

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
AMERICAN BATTLE MONUMENTS COMMISSION—continued			
08 Supplies and materials	$102,612	$86,844	$85,000
09 Equipment	30,681	25,996	25,000
11 Grants, subsidies, and contributions		33,241	36,576
Total, American Battle Monuments Commission	1,156,951	1,242,326	1,242,201
ALLOCATION TO DEPARTMENT OF THE ARMY			
Total number of permanent positions	3	3	3
Average number of all employees	3	3	3
Number of employees at end of year	3	3	3
Average GS grade and salary	4.0 $3,415	4.0 $3,500	4.0 $3,585
01 Personal services:			
Permanent positions	$5,144	$5,325	$5,506
Positions other than permanent	100	100	100
Other personal services	584	697	698
Total personal services	5,828	6,122	6,304
04 Communication services	67	61	65
05 Rents and utility service	228	220	220
07 Other contractual services	724	424	350
08 Supplies and materials	357	300	300
09 Equipment	168	200	200
11 Grants, subsidies, and contributions		347	360
Total, Department of the Army	7,372	7,674	7,799
Total obligations	1,164,323	1,250,000	1,250,000

Construction of Memorials and Cemeteries

[For expenses necessary for the permanent design and construction of memorials and cemeteries in foreign countries as authorized by the Act of June 26, 1946 (36 U. S. C. 121, 123–132, 138b), as amended by the Act of July 25, 1956 (70 Stat. 640), and the Act of August 5, 1947 (50 U. S. C. App. 1819), including not to exceed $15,000 for expenses of travel, $1,250,000, to remain available until expended: *Provided*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it] *During the current fiscal year, not to exceed $10,000 of funds heretofore appropriated under this head shall be available for travel expenses.* (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$1,250,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration	$143,357	$146,489	$110,525
2. Construction:			
(*a*) European theater	1,652,457	1,820,338	1,487,885
(*b*) Mediterranean theater	223,854	219,088	57,387
(*c*) Pacific theater	290,850	1,252,713	1,657,715
(*d*) United States	6,228	561,372	60,000
Total obligations	2,316,746	4,000,000	3,373,512
Financing:			
Comparative transfers to other accounts	32,758		
Unobligated balance brought forward	−7,423,016	−6,123,512	−3,373,512
Unobligated balance carried forward	6,123,512	3,373,512	
Appropriation (new obligational authority)	1,050,000	1,250,000	

This is the 10th year of a construction program of United States military cemeteries in foreign countries and memorials to commemorate the services of the American Armed Forces in World War II at 15 locations in foreign countries. The Commission estimates that by June 30, 1958, all cemeteries will be 100% completed, memorials 88.6%. The program, including memorials on the east and west coasts of the United States, should be completed by August 1, 1959, except for the Hawaiian memorial.

No additional funds are requested for fiscal year 1959 since the unobligated balance is sufficient to complete the program.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	78	77	60
Full-time equivalent of all other positions	162	96	24
Average number of all employees	232	126	58
Number of employees at end of year	168	88	42
Average GS grade and salary	5.3 $4,336	5.3 $4,349	5.4 $4,374
Average salary of ungraded positions	$1,536	$1,543	$1,549
01 Personal services:			
Permanent positions	$210,888	$172,365	$120,565
Positions other than permanent	156,007	46,656	3,900
Other personal services	150,814	143,647	138,160
Total personal services	517,709	362,668	262,625
02 Travel	21,298	13,800	10,000
03 Transportation of things	9,995	3,678	6,600
04 Communication services	1,680	225	225
05 Rents and utility services	1,445	800	
06 Printing and reproduction	607	400	250
07 Other contractual services	48,056	44,475	15,375
08 Supplies and materials	14,536	2,772	398
09 Equipment	2,011	590	
10 Lands and structures	1,699,409	3,562,983	3,073,870
11 Grants, subsidies, and contributions		7,699	4,169
Total obligations	2,316,746	4,000,000	3,373,512

Dedication of World War II Memorials

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Dedication of World War II memorials (total obligations)	$58,252		
Financing:			
Unobligated balance brought forward	−119,486		
Unobligated balance no longer available	61,234		
Appropriation (new obligational authority)			

Object Classification

01 Personal services: Positions other than permanent	$3,230		
02 Travel	42,358		
04 Communication services	1,580		
05 Rents and utility services	826		
06 Printing and reproduction	2,051		
07 Other contractual services	6,487		
08 Supplies and materials	1,720		
Total obligations	58,252		

ATOMIC ENERGY COMMISSION

Current authorizations:

Operating Expenses

For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the employment of aliens; rental in or near the District of Columbia; services authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of equipment; purchase, maintenance, and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed [$5,000] *$6,000*); official entertainment expenses (not to exceed $30,000); not to exceed [$3,700,000] *$3,850,000* for expenses of travel, including expenses of attendance at meetings of organizations concerned with the function or activity for which this appropriation is made; reimbursement of the General Services Administration for security guard services; not to exceed [$46,100,000] *$46,800,000* for personal services; purchase (not to exceed four hundred and [sixty] *thirty-five* for replacement only, including [two] *one* at not to exceed $3,500 [each]) and hire of passenger motor vehicles; [$2,215,470,000] *$2,288,000,000*, together with the unexpended balances, as of June 30, [1957] *1958*, of prior year appropriations made available under this head to the Atomic Energy Commission, and, in addition, any moneys (except sums received from disposal of property under the Atomic Energy Community Act of 1955 (42

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

U. S. C. 2301)) received by the Commission, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U. S. C. 484): *Provided,* That of such amounts $100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further,* That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further,* That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of $90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of $45,000 per annum. (*42 U. S. C. 2011; Atomic Energy Commission Appropriation Act, 1958.*)

Appropriated 1958, **$2,215,470,000** Estimate 1959, [a] **$2,288,000,000**

[a] Excludes $1,780,000 for activities transferred in the estimates to "Surveys, investigations, and research," Geological Survey. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Raw materials	$397,836,008	$596,901,000	$670,000,000
2. Special nuclear materials	581,602,626	578,600,000	592,000,000
3. Weapons	323,285,197	459,054,000	532,600,000
4. Reactor development	266,550,778	334,776,000	351,000,000
5. Physical research	59,344,215	71,471,000	71,500,000
6. Biology and medicine	31,519,984	37,895,000	43,000,000
7. Training, education, and information	7,815,945	16,850,000	18,500,000
8. Community	17,777,637	17,921,000	15,000,000
9. Program direction and administration	38,034,044	44,704,000	46,600,000
10. Security investigations	8,442,087	8,442,000	7,000,000
11. Other costs	6,619,603	8,137,000	6,687,000
Adjustment of prior year costs	−82,832		
Total program costs [1]	1,738,745,292	2,174,751,000	2,353,887,000
12. Revenues applied (−)	−34,573,859	−34,875,000	−29,720,000
Net program costs	1,704,171,433	2,139,876,000	2,324,167,000
13. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−26,167,000
Obligations incurred for costs of other years, net	68,785,462	100,727,221	
Total program (obligations)	1,772,956,895	2,240,603,221	2,298,000,000
Financing:			
Comparative transfers to other accounts	4,148,153	2,799,000	
Unobligated balance no longer available	37,932,221	10,000,000	
New obligational authority	1,815,037,269	2,253,402,221	2,298,000,000
New obligational authority:			
Appropriation	$1,740,400,000	$2,215,470,000	$2,288,000,000
Transferred from "Plant acquisition and construction," Atomic Energy Commission (70 Stat. 769)	11,500,000		
Appropriation (adjusted)	1,751,900,000	2,215,470,000	2,288,000,000
Reappropriation	63,137,269	37,932,221	10,000,000

[1] Includes capital outlay for equipment: 1957, $57,398,823; 1958, $72,327,000; 1959 $80,547,000.

The Commission procures raw materials; manufactures special nuclear materials and atomic weapons; develops improved weapons; conducts research and development aimed at generation of atomic power, including power from controlled thermonuclear reactions, and protection of health against possible hazards arising from atomic energy operations; conducts investigations in the physical and life sciences related to atomic energy; establishes and enforces regulations for civilian uses of atomic energy; promotes industrial participation in atomic energy development for peaceful purposes; encourages scientific and industrial progress through the dissemination of information under the terms of the Atomic Energy Act of 1954, as amended; and participates in programs of international cooperation in peaceful applications of atomic energy.

The program is administered in the field through 10 major offices. Most of the Commission's activities are carried on in Government-owned facilities by industrial concerns and educational institutions, operating under contracts. Coordination with the armed services is achieved through the Military Liaison Committee of the Department of Defense.

Net program costs in 1959 are estimated at $2,324.2 million, or 8.6% greater than the estimated 1958 net costs of $2,139.9 million, and 36.4% greater than actual net costs of $1,704.3 million for 1957. The upward trend reflects mainly larger scale procurement of raw materials and expanded production of nuclear weapons. Other increases occur in the efforts to develop varied types of atomic weapons, in military and civilian power and propulsion reactor development, in research in the biological and medical fields, and for isotope development.

In 1959, the net program costs exceed obligational requirements; the difference is represented by costs financed from obligations of other years, net. The converse is true in 1957 and 1958, when obligations exceed net program costs, the difference being reflected as obligations incurred for costs of other years, net. The obligations for operating expenses in 1959 total $2,298 million compared to $2,240.6 million in 1958 and $1,773 million in 1957.

1. *Raw materials.*—Uranium ores and concentrates are procured from domestic and foreign sources for processing in the production facilities of the Commission. Substantial additional tonnages of concentrates will be obtained from United States producers and from Canada in 1959, with minor decreases from other foreign sources reflecting increased allocations to other countries. Resource evaluation will continue in the development of data on uranium reserves.

2. *Special nuclear materials.*—Uranium concentrates are processed into feed materials from which (*a*) plutonium is produced in the reactors at Hanford, Wash., and Savannah River, S. C., or (*b*) the isotope uranium–235 is extracted in plants at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio. As production of feed and special nuclear materials increases, the gains in output will be accompanied by lower unit processing costs. Work will continue on process improvement to reduce production costs, increase yields, and improve the quality of products.

3. *Weapons.*—This program encompasses the production of weapons; the design, development, and testing of new weapon types; and the storage, maintenance, and custody of stockpiled weapons. Expanded production facilities will be in operation and production of weapons will increase.

4. *Reactor development.*—This program includes primarily the development of (*a*) civilian power reactors, including associated work on reactor safety, spent fuel reprocessing, and waste disposal; (*b*) commercial ship reactors; (*c*) power and propulsion reactors for a variety of military requirements; and (*d*) experimental devices to control thermonuclear reactions. Also included is the operation of the National Reactor Test Station at Arco, Idaho. The costs by major category are:

Category:	*1957 actual*	*1958 estimate*	*1959 estimate*
Civilian power reactors	$54,291,286	$90,800,000	$97,700,000
Civilian power supporting effort	22,247,363	26,922,000	26,600,000
Commercial ship reactors	875,198	1,750,000	3,700,000
Army package power reactors	2,875,555	5,756,000	5,600,000
Naval propulsion reactors	71,662,530	86,844,000	87,000,000
Aircraft propulsion reactors	68,875,126	65,300,000	66,600,000
Controlled thermonuclear project	10,734,745	23,550,000	25,500,000
All other	34,988,975	33,854,000	38,300,000
Total reactor development	266,550,778	334,776,000	351,000,000

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The Commission's civilian power reactor program provides a foundation of technical knowledge through a program of research and development on promising reactor concepts; design, fabrication, and operation of power reactor experiments; the development of experimental reactors; and development of prototype power plants usually on a cooperative basis with industry. Through the cooperative arrangements program, the Commission provides financial aid in the development of full-scale power reactors built by private industry and public power bodies. This aid provides a basis for a privately financed nuclear power industry.

To provide broad support primarily for civilian power reactor projects, the Commission's programs include general research and development on materials, moderators, control techniques, fuel elements, spent fuel reprocessing, and waste disposal systems, and reactor safety. Some of this work is also applicable to military reactor development.

The Commission's program for 1959 includes the continuation of work to develop atomic powerplants for use in commercial vessels, and particularly for the nuclear-powered merchant ship now in construction.

In the military reactor programs, efforts will be continued to develop reactors to meet requirements of the Department of Defense. These include propulsion reactors for submarines, surface combatant ships, military aircraft, missiles, and transportable plants for the generation of heat and electric power at remote military installations. Many of the advances in military reactor development contribute significantly to the civilian power program.

Development work looking toward control of thermonuclear reactions will continue at a substantial level in 1959.

The Commission also operates the National Reactor Testing Station in Idaho, including two test reactors which provide irradiation services for the Commission's programs and for private industry on a reimbursable basis.

5. *Physical research.*—Basic and long-range investigations in the fields of physics, mathematics, chemistry, and metallurgy are undertaken to provide an ever-expanding fund of theoretical and practical knowledge in fields related to nuclear energy. Approximately 90 particle accelerators, ranging in energy from several thousand electron-volts to several billion electron-volts, are utilized in the program. Approximately 65% of the cost of research is for work done in Commission laboratories and 35% is for work contracted to about 100 universities and other independent institutions.

6. *Biology and medicine.*—Research is conducted on the effect of radiation on living things. It includes investigations of the biological effects of nuclear explosions, and the development of methods for minimizing exposure to radioactive materials of all kinds and for minimizing and protecting against the injurious effects of radiation. Support is given to the development of methods for utilizing radioactive materials for human welfare, and to the diagnosis and treatment of human diseases, such as cancer. The comprehensive study of permissible levels of exposure to radioactive contamination from all causes is given special emphasis. Standards are established to insure that the Commission's activities are conducted with safety to both employees and the public.

The major portion of the research is carried on at 16 laboratories which are owned by or operated for the Commission and the remainder, approximately 500 projects, is supported in more than 200 universities, colleges, hospitals, and independent laboratories. The program includes the operation of 4 facilities in the United States devoted to cancer research and 2 laboratories in Japan for the determination of the long-term effects of atomic bombs on the population.

7. *Training, education, and information.*—This activity includes operation of special schools; granting of fellowships for graduate students; assistance to high schools, colleges, and universities; and dissemination of technical information, including participation in international conferences and exhibits on nuclear science and technology; and development of beneficial uses of radioisotopes.

Four schools will be operated in 1958 and 1959: The International School of Nuclear Science and Engineering at the Argonne National Laboratory, the Oak Ridge School of Reactor Technology, the Oak Ridge Institute of Nuclear Studies, and the new Puerto Rico Training Center.

Under the fellowship program, approximately 150 college graduates will receive assistance for graduate studies in nuclear energy technology. Other fellowships to be offered include 170 in radiological physics, 8 in industrial hygiene, and 11 in industrial medicine.

Assistance to schools to provide for educational programs in atomic energy will be continued. Grants will be made to universities to help them acquire reactor training equipment, teaching aids, demonstration apparatus, and special laboratory equipment. University summer courses in general radiobiology will be made available to high school science teachers, and special faculty training in reactor technology for university faculty members will be provided.

To broaden the dissemination of information on matters relating to atomic energy, the Commission operates the Technical Information Service and the American Museum of Atomic Energy at Oak Ridge, maintains libraries, performs translation services, and conducts tours with traveling atomic energy exhibits. At the request of the Department of State, the Commission is planning and preparing the United States technical presentation, including an exhibit, for the 1958 International Conference on Peaceful Uses of Atomic Energy to be held at Geneva, Switzerland, in September 1958. The Commission will also arrange in 1959 for nuclear exhibits at other selected foreign conferences and exhibitions in order to demonstrate United States technology.

It is planned to initiate in 1959 a program to provide for additional development of practical applications for use of radioisotopes in medicine, agriculture and industry. The Commission will participate in research and development projects with industrial and research organizations to exploit the practical application of radioisotopes and applied radiation to industrial products, processes, and manufacturing methods. Isotope training institutes will be established at selected non-profit industrial, research or educational institutions to accelerate training of industrial and State radiation protection personnel in radioisotope techniques and precautions for their safe use. Assistance will be provided to industry to encourage installation of needed reactor capacity for isotope production by private industry.

8. *Communities.*—The Commission operates 3 towns—Oak Ridge, Tenn., Richland, Wash., and Los Alamos, N. Mex.—with an estimated total population in 1959 of 71,000, and provides limited community services at other locations. Legislation has been enacted to terminate Government ownership and operation of Oak Ridge and Richland; the 1959 estimates are based on anticipated disposal of a major portion of Atomic Energy Commis-

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

sion-owned real estate by the end of 1959 with resultant reductions in requirements for property maintenance and in revenues. The estimates also include costs associated with the disposal program and provide for assistance payments to the community hospital at Richland which has been transferred to a private nonprofit organization. Since real estate revenues normally exceed operating costs by a substantial amount, the loss in revenue as a result of property sales together with the costs of disposal will result in an estimated excess of costs over revenues of $3.5 million in 1959. This relation between costs and revenues, which are included under revenues applied, is indicated in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Revenues	$18,987,959	$15,243,000	$11,473,000
Operating costs, including AEC cost related to disposal	17,777,637	17,921,000	15,000,000
Excess of revenues over costs	1,210,322	----------	----------
Excess of costs over revenues	----------	2,678,000	3,527,000

9. *Program direction and administration.*—The costs of general management, supervision of program operations, the negotiation and administration of contracts, the establishment and enforcement of regulations for civilian uses of atomic energy, including the issuance of licenses, and other related administrative activities performed by Commission personnel represent 2% of total program costs in 1959 compared to 2.1% in 1958. The budget provides for no increase in personnel in 1959. The increase of $1.9 million provides for salaries and travel and other costs for a whole year for personnel added in 1958, as well as operating costs at the Germantown headquarters for a full year including eight months occupancy of the additional wing now under construction.

10. *Security investigations.*—The Atomic Energy Act of 1954 requires background investigations of those persons proposed for access to restricted data of the atomic energy program. The number of full background investigations to be completed is estimated at 27,205 for 1959, compared with 32,451 for 1958 and 35,492 for 1957.

11. *Other costs.*—In furthering the objectives of the Atomic Energy Act of 1954 concerning the utilization of atomic energy for peaceful purposes, the Commission furnishes materials and services to industrial organizations and other private parties apart from those which it provides normally for its own basic programs. Costs for these are incurred only upon the request of others. Charges made for such products and services are included under "Revenues applied" as a reduction in determining the appropriations required. The items included are:

	1957 actual	*1958 estimate*	*1959 estimate*
Costs of products sold	$4,717,615	$6,096,000	$4,686,000
Costs of services performed	1,901,988	2,041,000	2,001,000
Total other costs	6,619,603	8,137,000	6,687,000

12. *Revenues applied.*—Revenues are obtained from services performed and the sale and lease of products, including lease and sale of nuclear materials, produced as a part of the Commission's own basic program (primarily the operation of the Atomic Energy Commission-owned communities and housing and the sale of special nuclear materials and related products) and from products and services for which costs are incurred only upon the request of others and are included under "Other costs." The items included are:

	1957 actual	*1958 estimate*	*1959 estimate*
Sale of source and special nuclear materials and related products	$2,151,857	$4,493,000	$4,085,000
Income from lease and consumption charges for special nuclear materials	248,111	969,000	1,627,000
Income from research hospitals	352,797	353,000	353,000
Income from training, education and information	463,510	418,000	255,000
Income from communities	18,987,959	15,243,000	11,473,000
Income from products sold and services performed at request of others:			
Products sold	8,476,434	10,081,000	7,863,000
Services performed	2,424,692	1,669,000	1,659,000
Miscellaneous income	1,468,499	1,649,000	2,405,000
Total revenues	34,573,859	34,875,000	29,720,000

13. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Inventories (goods unconsumed by activities)	$135,869,660	$161,331,583	$180,127,000	$185,519,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	559,198,115	600,073,299	685,319,211	653,760,211
Advances (payments for goods and services on order not yet received)	474,753	714,108	----------	----------
Collateral funds and other deposits (insurance collateral, employee benefit and annuity funds, merchandise deposits with vendors and miscellaneous deposits)	21,890,000	24,099,000	21,499,000	21,499,000
Total selected resources at end of year	717,432,528	786,217,990	886,945,211	860,778,211
Selected resources at start of year (−)		−717,432,528	−786,217,990	−886,945,211
Costs financed from obligations of other years, net (−)		----------	----------	−26,167,000
Obligations incurred for costs of other years, net		68,785,462	100,727,221	----------

The increase in unpaid undelivered orders in 1958 over 1957 results primarily from the general rise in program levels and the execution of certain long-term contracts with industry under the power reactor cooperative arrangements program. The decrease in 1959 below 1958 is attributed primarily to the costing of long-term contracts for materials procurement and cooperative power arrangements with industry.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ATOMIC ENERGY COMMISSION			
Total number of permanent positions	7,435	7,453	7,491
Full-time equivalent of all other positions	32	83	70
Average number of all employees	6,694	6,991	7,178
Number of employees at end of year	6,910	7,215	7,215
Average grade and salary, grades established by the Atomic Energy Commission	8.4 $6,141	8.5 $6,237	8.6 $6,319
01 Personal services:			
Permanent positions	$40,196,082	$42,486,795	$44,297,139
Positions other than permanent	224,407	456,555	412,387
Other personal services	1,730,738	2,056,650	2,090,474
Total personal services	42,151,227	45,000,000	46,800,000
02 Travel	2,893,156	3,600,000	3,850,000
03 Transportation of things	5,559,611	8,484,000	10,317,000
04 Communication services	3,551,111	3,479,000	3,573,000
05 Rents and utility services	226,657,217	209,700,000	213,400,000
06 Printing and reproduction	495,004	885,000	868,000
07 Other contractual services	931,589,373	1,154,631,178	1,138,334,000
Services performed by other agencies	26,218,489	26,243,000	25,619,000
08 Supplies and materials	442,323,098	677,600,000	734,600,000
09 Equipment	74,856,000	74,077,000	76,886,000
11 Grants, subsidies, and contributions	4,437,163	9,583,000	8,623,000
13 Refunds, awards, and indemnities	47,571	316,000	316,000
15 Taxes and assessments	4,663	7,000	8,000
Unvouchered	30	100,000	100,000
Total, Atomic Energy Commission	1,760,783,713	2,213,705,178	2,263,294,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	41	39	36
Full-time equivalent of all other positions	1	1	1
Average number of all employees	41	39	36
Number of employees at end of year	39	37	37
Average GS grade and salary	6.2 $4,846	6.1 $4,819	6.1 $4,868

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION ACCOUNTS—continued			
01	Personal services:			
	Permanent positions	$202,662	$201,347	$189,500
	Positions other than permanent	14,115	2,100	2,100
	Other personal services	2,973	1,153	1,000
	Total personal services	219,750	204,600	192,600
02	Travel	4,291	2,300	300
03	Transportation of things	63,506	1,300	3,300
04	Communication services	158	250	150
05	Rents and utility services	28,567	30,075	75
07	Other contractual services	13,827,105	26,310,316	32,777,900
08	Supplies and materials	−1,997,274	336,232	1,719,375
09	Equipment	27,056		
11	Grants, subsidies, and contributions		12,970	12,300
15	Taxes and assessments	23		
	Total allocation accounts	12,173,182	26,898,043	34,706,000
	Total obligations	1,772,956,895	2,240,603,221	2,298,000,000
	Obligations are distributed as follows:			
	Atomic Energy Commission	$1,760,783,713	$2,213,705,178	$2,263,294,000
	Department of Agriculture:			
	Soil Conservation Service	154		
	Agricultural Research Service	246	539	
	Department of Commerce: National Bureau of Standards	166,132		
	Department of the Interior:			
	Geological Survey	−37,266	37,266	
	Bureau of Mines	$129,256	$75,757	$75,000
	Fish and Wildlife Service	−287		
	Department of the Navy	36,355	44,860	
	Department of the Army	13,897,343	25,917,621	32,920,000
	General Services Administration	−2,018,463	322,000	1,711,000
	Department of the Air Force	−14,474	500,000	
	Department of Health, Education, and Welfare: Public Health Service	14,186		

[PLANT ACQUISITION AND CONSTRUCTION]

[For expenses of the Commission in connection with the purchase and construction of plant and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and hire of passenger motor vehicles; $108,162,500, to remain available until expended.] (*42 U. S. C. 2011; 71 Stat. 403; Atomic Energy Appropriation Act, 1958.*)

Appropriated 1958, **$108,162,500**

Program and Financing

	Cost to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:									
Facilities for:									
1. Raw materials	$13,293,000	$4,284,000	$4,166,548	$4,043,000	$800,000	$6,061,431	$1,117,000		
2. Special nuclear materials	3,499,140,000	3,223,382,000	83,636,261	72,748,000	64,405,000	59,953,816	85,227,000		
3. Weapons	389,747,000	221,232,000	57,912,526	44,615,000	33,680,000	62,316,658	61,006,098		
4. Reactor development	613,432,000	186,784,000	83,943,610	81,337,000	101,174,000	102,378,116	175,643,000	$43,220,000	
5. Physical research	109,775,000	17,090,000	12,660,605	17,233,000	19,247,000	21,822,441	18,809,000	10,000,000	
6. Biology and medicine	18,417,000	10,077,000	3,077,862	4,124,000	1,138,000	1,076,501	1,254,000		
7. Training, education, and information	2,500,000			500,000	1,500,000		2,500,000		
8. Communities	21,108,000	6,193,000	6,316,676	4,307,000	3,533,000	4,716,579	6,916,000	138,000	
9. Administration	14,978,000	338,000	7,621,925	5,818,000	1,200,000	1,351,065	4,150,000		
Total program costs	4,682,390,000	3,669,380,000	259,336,013	234,725,000	226,677,000				
10. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)					−173,319,000				
Obligations incurred for costs of other years (unpaid undelivered orders), net			340,594	121,897,098					
Total program (obligations)			259,676,607	356,622,098	53,358,000	259,676,607	356,622,098	53,358,000	
Financing:									
Unobligated balance brought forward						−375,810,475	−308,028,598	−65,287,000	
Recovery of prior year obligations						−45,094,730	−5,718,000		
Unobligated balance carried forward						308,028,598	65,287,000		
Unobligated balance transferred to schedule shown under the head "Proposed for later transmission" below								11,929,000	
New obligational authority						146,800,000	108,162,500		
New obligational authority:									
Appropriation						$158,300,000	$108,162,500		
Transferred to "Operating expenses," Atomic Energy Commission (70 Stat. 769)						−11,500,000			
Appropriation (adjusted)						146,800,000	108,162,500		

From this appropriation the Commission constructs plant and facilities for its production, research, and supporting operations. Since the Atomic Energy Act of 1954 requires statutory authorization of appropriations for plant acquisition and construction, obligations are estimated in 1959 only for projects for which appropriations have already been authorized. No new appropriation is requested at this time because the $65.3 million of unobligated balances brought forward from prior years is more than sufficient to cover the $53.4 million of obligations for these projects. The remaining $11.9 million is to be applied against 1959 obligational requirements of projects included in the anticipated authorization of appropriations for which a supplemental will be transmitted later (see below).

Excluded from the total estimate column and from the 1959 estimated cost column are amounts for projects for which authorizations will be sought for 1959 but which have not yet been received.

Set forth below is information on the various activities in terms of obligations incurred.

1. *Facilities for raw materials.*—With the exception of the Commission's processing mill at Monticello, Utah, all United States mills for the processing of uranium ores are privately owned. Obligations in 1957 and 1958 are for the construction of access roads to uranium mines and miscellaneous supporting facilities.

2. *Facilities for special nuclear materials.*—Under this activity obligations are provided in 1957 and 1958 for additions, modification and improvements to (*a*) the feed materials plants located at Fernald, Ohio, Weldon Springs, Mo., and St. Louis, Mo.; (*b*) the gaseous diffusion plants located at Oak Ridge, Tenn., Paducah, Ky., and Ports-

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

[PLANT ACQUISITION AND CONSTRUCTION]—Continued

mouth, Ohio, and (*c*) the production facilities located at Hanford, Wash., and Savannah River, S. C.

3. *Facilities for weapons.*—This activity includes the construction of facilities for the production of weapons, for the storage of completed weapons, and for the development and engineering of new weapon types.

4. *Facilities for reactor development.*—This activity includes the construction of laboratory buildings for fundamental engineering work on reactor concepts and materials, facilities for the housing of reactor experiments, civilian power experimental reactors generating electrical energy or producing over 10,000 kilowatts of heat, and prototype reactors for civilian and military purposes.

Obligations in 1957 and 1958 are primarily for (*a*) experimental reactors for the Commission's civilian power program; (*b*) prototype power reactors as part of the cooperative arrangements program between the Commission and industry; (*c*) facilities to support the development of improved reactor, chemical separations, and waste disposal systems, and to provide other general support; (*d*) continued support for the first merchant ship reactor; (*e*) test facilities connected with military aircraft and missile nuclear propulsion; and (*f*) land based prototypes and support facilities for the naval propulsion program.

Obligations in 1959 are for the completion of certain previously authorized projects, including (*a*) experimental reactors for the Commission's civilian power program, (*b*) buildings to house advanced experimental devices for controlling thermonuclear reactions, and (*c*) certain classified projects.

5. *Facilities for physical research.*—Large research machines and laboratory buildings are constructed to further research in physics, chemistry, and metallurgy. The major portion of the obligations in 1957 and 1958 are for the completion of three ultra high energy particle accelerators in the multibillion electron-volt range which will assist in obtaining new knowledge about the atomic nucleus and the elementary particles. One of these is being built at Princeton, N. J., one at Cambridge, Mass., and another, larger than any now existing, at the Brookhaven National Laboratory, Upton, Long Island. The 1958 estimates also cover the design of another multibillion electron-volt accelerator, the sixth in the United States, at the Argonne National Laboratory, Lemont, Ill., and research facility improvements at University of California Radiation Laboratory, Argonne National Laboratory, and Brookhaven National Laboratory. The 1959 obligations provide for the first phase of construction on the multibillion electron-volt accelerator at the Argonne National Laboratory authorized in 1958.

6. *Facilities for biology and medicine.*—Under this activity, research facilities are built for atomic energy research in the fields of medicine, biology, and biophysics. The new research hospital at the Brookhaven National Laboratory, initiated in 1956, will be completed in 1958. A mammalian radiation injury and reclamation area will be provided at the Oak Ridge National Laboratory, Tenn., in 1958.

7. *Facilities for training, education, and information.*—Obligations in 1958 are for construction of a nuclear training center in Puerto Rico.

8. *Facilities for communities.*—Community facilities are constructed in the Commission-operated towns of Richland, Wash., Oak Ridge, Tenn., and Los Alamos, N. Mex. Obligations in 1957 and 1958 are primarily for a new community hospital at Oak Ridge, municipal facilities in Oak Ridge and Richland connected with the community disposal program, and for additional housing and schools at Los Alamos. Obligations in 1959 are for an additional water well at Los Alamos, N. Mex.

9. *Facilities for administration.*—Obligations in 1957 and 1958 are mainly for the construction of the new headquarters building at Germantown, Md. Other obligations for these years provide for improvement or conversion of administrative facilities.

10. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1956, $304,692,468; 1957, $305,033,062; 1958, $426,930,160; and 1959, $253,611,160. The changes in unpaid undelivered orders result from the fact that obligations lead costs and tend to fluctuate more rapidly than costs. The large increase in obligations in 1958 is only partially costed in 1958, with the result that a larger amount of unpaid undelivered orders are carried into 1959. In 1959, obligations shown in this account decline sharply, and costs and unpaid undelivered orders also decline; however, additional 1959 construction obligations for the Atomic Energy Commission are shown under "Proposed for later transmission."

Object Classification

		1957 actual	1958 estimate	1959 estimate
	ATOMIC ENERGY COMMISSION			
03	Transportation of things	$153,790	$150,000	
04	Communication services	14,028	15,000	
07	Other contractual services	25,552,911	17,932,000	
	Services performed by other agencies	1,245,196	1,950,000	
08	Supplies and materials	97,185	100,000	
10	Lands and structures	221,889,284	326,834,769	$53,358,000
13	Refunds, awards, and indemnities	30,668	30,000	
	Total, Atomic Energy Commission	248,983,062	347,011,769	53,358,000
	ALLOCATION ACCOUNTS			
	Total number of permanent positions	23	13	
	Full-time equivalent of all other positions	11	4	
	Average number of all employees	28	15	
	Number of employees at end of year	8	0	
	Average GS grade and salary	6.8 $5,210	6.2 $4,892	
01	Personal services:			
	Permanent positions	$87,872	$52,498	
	Positions other than permanent	38,273	15,000	
	Other personal services	10,978	2,902	
	Total personal services	137,123	70,400	
02	Travel	9,908	4,600	
03	Transportation of things	2,091	4,200	
04	Communication services	638	400	
05	Rents and utility services	68,364	7,500	
06	Printing and reproduction	489	500	
07	Other contractual services	908,702	753,204	
08	Supplies and materials	4,421,412	6,870,100	
10	Lands and structures	5,144,690	1,895,267	
11	Grants, subsidies, and contributions		4,028	
15	Taxes and assessments	128	130	
	Total, allocation accounts	10,693,545	9,610,329	
	Total obligations	259,676,607	356,622,098	53,358,000
	Obligations are distributed as follows:			
	Atomic Energy Commission	$248,983,062	$347,011,769	$53,358,000
	Department of Commerce: Bureau of Public Roads	4,917,431	812,626	
	Department of the Interior: Bureau of Indian Affairs	23,280	22,508	
	Department of the Navy	29,310	530	
	Department of the Army	1,316,226	1,899,665	
	General Services Administration	4,402,762	6,875,000	
	Department of Health, Education, and Welfare: Public Health Service	4,536		

GENERAL PROVISIONS

Any appropriation available under this or any other Act to the Atomic Energy Commission may initially be used subject to limita-

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tions in this Act during the fiscal year [1958] *1959* to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided*, That appropriate transfers or adjustments between such appropriation shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

Not to exceed 5 per centum of any appropriation herein made to the Atomic Energy Commission may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

No part of any appropriation herein made to the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

[The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1957, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1957, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof, and the terms of Public Law 85–78, Eighty-fifth Congress, as amended.] (*42 U. S. C. 2011; Atomic Energy Commission Appropriation Act, 1958.*)

Allocations Received From Other Appropriations

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Ships and facilities," Department of the Navy.
"Research and development," Department of the Navy.
"Aircraft and related procurement," Department of the Navy.
"Shipbuilding and conversion," Department of the Navy.
"Government in occupied areas," Department of State.
"Operation and maintenance," Department of the Army.
"Army industrial fund."
"Military construction, Army."
"Research and development," Department of the Army.
"Procurement and equipment and missiles, Army."
"Operations," Federal Civil Defense Administration.
"Surveys, plans, and research," Federal Civil Defense Administration.
"Operation and maintenance," Department of the Air Force.
"Research and development," Department of the Air Force.
"Military construction, Air Force."
"Aircraft and missile support," Department of the Air Force.
"Aircraft and missile procurement," Department of the Air Force.
"Mutual Security," funds appropriated to the President.

Public enterprise funds:

Defense Production Guaranties

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Administrative expense (total obligations)	$767	$1,000	$1,000
Financing:			
Amounts becoming available: Revenues and receipts: Guaranty and commitment fees	145,119	104,214	65,347
Unobligated balance brought forward	196,951	341,303	444,517
Total amounts available	342,070	445,517	509,864
Unobligated balance carried forward	−341,303	−444,517	−508,864
Financing applied to program	767	1,000	1,000

Guaranties are given on loans made by private sources to facilitate performance of defense production contracts. Loans may be purchased by the Government if necessary to keep financing in effect; however, the Atomic Energy Commission has not yet been required to do this. Administrative expenses are paid out of guaranty fees.

In 1957, guaranties of 75% to 95% were in force. At the beginning of 1957 credit amounting to $10,299,147 was available to four borrowers; at year end $8,063,779 was available to three borrowers. It is estimated that in 1958 and 1959 guaranties will be in force on five loans for which the total amount of credit available to the borrowers at the end of each year will be $6.4 million and $3.7 million, respectively.

Net earnings are retained to meet possible future losses (50 U. S. C. app. 2061–2166).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Administrative expense	$767	$1,000	$1,000
Increase in selected working capital	27		
Total gross expenditures	794	1,000	1,000
Receipts from operations (funds provided):			
Guaranty and commitment fees	145,119	104,214	65,347
Budget expenditures	−144,325	−103,214	−64,347

Revenue, Expense, and Retained Earnings

Revenue	$145,119	$104,214	$65,347
Expense	767	1,000	1,000
Net income for the year	144,352	103,214	64,347
Retained earnings, beginning of year	196,951	341,303	444,517
Retained earnings, end of year	341,303	444,517	508,864

Financial Condition

Assets:			
Cash with Treasury	$341,303	$444,517	$508,864
Government investment:			
Retained earnings	341,303	444,517	508,864

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$196,978	$341,303	$444,517	$508,864
Obligated balance: Current liabilities	27			
Unobligated balance	196,951	341,303	444,517	508,864

Note.—Excludes contingent liability for guarantied loans as follows: June 30, 1956, $9,496,175; 1957, $7,383,986; 1958, $5,888,000.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$767	$1,000	$1,000

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sale of products	$8,640,000	$13,900,000	$10,600,000
2. Income from services	6,683,168	5,900,000	5,900,000
3. Community revenue	1,200,000		
4. Miscellaneous income	1,000,000	1,000,000	1,500,000
Total obligations	17,523,168	20,800,000	18,000,000

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ATOMIC ENERGY COMMISSION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBUSEMENTS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Advances and reimbursements from—			
Other accounts	$5,623,168	$6,000,000	$6,000,000
Non-Federal sources (5 U. S. C. 61 (b), 42 U. S. C. 2011)	11,900,000	14,800,000	12,000,000
Total financing	17,523,168	20,800,000	18,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	1		
Number of employees at end of year	0		
Average grade and salary, grades established by the Atomic Energy Commission	11.0 $8,540		
01 Personal services: Positions other than permanent	$5,435		
02 Travel	5,143		
07 Other contractual services	17,497,574	$20,800,000	$18,000,000
09 Equipment	15,016		
Total obligations	17,523,168	20,800,000	18,000,000

Proposed for later transmission:

PLANT ACQUISITION AND CONSTRUCTION

Program and Financing

	Cost to this appropriation		Estimated obligations 1959
	1958 estimate	1959 estimate	
Program by activities:			
Facilities for—			
1. Raw materials		$100,000	$300,000
2. Special nuclear materials		7,400,000	44,800,000
3. Weapons		8,000,000	40,000,000
4. Reactor development		6,000,000	39,167,000
5. Physical research		400,000	2,000,000
6. Biology and medicine		400,000	2,200,000
7. Training, education, and information		400,000	2,000,000
8. Communities		200,000	1,062,000
9. Administration		100,000	400,000
Total program costs		23,000,000	
10. Relation of costs to obligations: Obligations incurred for costs of other years (increase in unpaid undelivered orders), net		108,929,000	
Total program (obligations)		131,929,000	131,929,000
Financing:			
Unobligated balance transferred from "Plant acquisition and construction" (see schedule above)			−11,929,000
Proposed supplemental appropriation			120,000,000

Under proposed legislation, 1959.—New obligational authority in the amount of $120 million will be requested in a supplemental transmission after congressional consideration of the Commission's request for authorization of appropriations. Available unobligated balances have been applied in determining the appropriation to be requested. Of the $131.9 million of total obligations anticipated, $84.8 million is expected to be proposed for improvements and additions to existing production plants which will increase production and safety and decrease unit costs, and for additional weapons production and development facilities. Proposed also are $20 million for construction of a naval land-based prototype reactor suitable for use in a destroyer, $19.2 million for other facilities connected with reactor development, $4.2 million for other research and development facilities, and $3.7 million for a variety of other projects. Costs against the $131.9 million total obligations will spread over several years; only $23 million in costs is estimated for 1959, resulting in unpaid undelivered orders in the amount of $108.9 million at the end of 1959.

CENTRAL INTELLIGENCE AGENCY

Current authorizations:

CONSTRUCTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, specifications, and supervision	$19,996	$103,500	$260,000
2. Construction of building	26,556	1,196,500	41,055,500
3. Construction of roads	5,553,026	2,597,209	169,765
Total obligations	5,599,578	3,897,209	41,485,265
Financing:			
Unobligated balance brought forward	−3,514,011	−47,138,283	−43,241,074
Recovery of prior year obligations	−223,850		
Unobligated balance carried forward	47,138,283	43,241,074	1,755,809
Appropriation (new obligational authority)	49,000,000		

1. *Design, specifications, and supervision.*—Plans for the new headquarters installation are to be completed in calendar year 1958.

2. *Construction of building.*—Contracts for construction are to be awarded during 1958 under funds appropriated in prior years totaling $54,500,000. The installation is expected to be ready for occupancy in 1961.

3. *Construction of roads.*—Up to $8,500,000 of the $54,500,000 is available to the Department of the Interior, the Department of Commerce, and the National Capital Planning Commission for extension of the George Washington Memorial Parkway to the headquarters site. Construction of the parkway extension was begun in 1956 and is expected to be complete in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	51	51	46
Full-time equivalent of all other positions	1	1	1
Average number of all employees	26	43	25
Number of employees at end of year	42	45	40
Average GS grade and salary	6.8 $4,907	6.8 $4,949	6.7 $5,043
01 Personal services:			
Permanent positions	$129,476	$227,609	$130,900
Positions other than permanent	1,937	2,900	2,900
Other personal services	7,712	10,800	10,780
Total personal services	139,125	241,309	144,580
02 Travel	865	15,500	9,000
03 Transportation of things	683	7,500	1,000
04 Communication services	1,086	7,500	1,000
05 Rents and utility services	2,351	7,500	1,000
06 Printing and reproduction	2,401	67,700	6,000
07 Other contractual services	117,367	303,600	251,685
08 Supplies and materials	6,185	25,400	5,000
09 Equipment	5,058	1,000	2,000
10 Lands and structures	5,324,457	3,206,500	41,055,500
11 Grants, subsidies, and contributions		13,700	8,500
Total obligations	5,599,578	3,897,209	41,485,265
Obligations are distributed as follows:			
General Services Administration	$46,552	$1,300,000	$41,315,500
National Park Service, Department of the Interior	5,034,171	2,099,509	
Bureau of Public Roads, Department of Commerce	198,855	497,700	169,765
National Capital Planning Commission	320,000		

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CIVIL SERVICE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses, including not to exceed $22,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed $10,000 for medical examinations performed for veterans by private physicians on a fee basis; not to exceed $100 for the purchase of newspapers and periodicals (excluding scientific, technical, trade or traffic periodicals, for official use); payment in advance for library membership in societies whose publications are available to members only or to members at a price lower than to the general public; not to exceed $70,000 for performing the duties imposed upon the Commission by the Act of July 19, 1940 (54 Stat. 767); reimbursement of the General Services Administration for security guard services for protection of confidential files; not to exceed $508,000 for expenses of travel; and not to exceed $5,000 for actuarial services by contract, without regard to section 3709, Revised Statues, as amended; [$18,300,000] *$18,420,000.*

No part of the appropriations herein made to the Civil Service Commission shall be available for the salaries and expenses of the Legal Examining Unit in the Examining and Personnel Utilization Division of the Commission, established pursuant to Executive Order 9358 of July 1, 1943. (*5 U. S. C. 22–1, 631–642, 652, 654, 851–869, 901–958, 1010; Supp. 740b–740i, 1051–1052, 1071–1133, 1151, 2001–2007, 2061–2066, 2121–2123, 2251–2267; 39 U. S. C. 31a and b; Supp. 962; 40 U. S. C. 42; Supp. 491; 50 U. S. C. App. 459; 65 Stat. 757; 66 Stat. 122; 70 Stat. 291, 721; Executive Orders 10000, Sept. 16, 1948; 10182, Nov. 21, 1950; 10242, May 18, 1951; 10422, Jan. 9, 1953; 10450, Apr. 27, 1953; 10452, May 1, 1953; 10530, May 10, 1954; 10540, June 29, 1954; 10552, Aug. 10, 1954; 10590, Jan 18, 1955; 10647, Nov. 28, 1955; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$18,300,000** Estimate 1959, **$18,420,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Recruiting and examining	$5,813,994	$6,075,042	$6,090,000
2. Investigation of character and fitness for employment	3,461,822	3,699,000	3,710,000
3. Inspections and classification audits	2,363,347	2,323,000	2,320,000
4. Administration of the retirement systems	1,669,216	1,792,000	1,965,000
5. Developing programs and standards	1,437,378	1,655,000	1,660,000
6. Regulatory, appellate, and advisory functions	1,128,255	1,200,000	1,130,000
7. Executive and administrative services	1,560,590	1,557,000	1,545,000
Total program costs	17,434,602	18,301,042	18,420,000
8. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−35,753	−1,042	
Total program (obligations)	17,398,849	18,300,000	18,420,000
Financing:			
Unobligated balance no longer available	38,196		
New obligational authority	17,437,045	18,300,000	18,420,000
New obligational authority:			
Appropriation	$17,407,500	$18,300,000	$18,420,000
Transferred from "Investigations of United States citizens for employment by international organizations" (31 U. S. C. 697)	29,545		
Appropriation (adjusted)	17,437,045	18,300,000	18,420,000

1. *Recruiting and examining.*—Most appointments in the competitive civil service are made under the open competitive merit system through examinations held by the office of the Commission and its boards of examiners, made up of agency personnel operating under the supervision and direction of the Commission. Appointments through such competitive examinations will accord career or career-conditional status. While total new hires in Government will be fewer in 1959 than in 1957 or 1958, the number of competitive placements is expected to increase as the amount of direct agency hiring continues to decline. Physically handicapped persons are given special placement attention. Veterans are aided in securing the benefits to which they are entitled. An employees' incentive awards program is conducted to stimulate the development of new and improved methods and ideas.

Production count	*1957 actual*	*1958 estimate*	*1959 estimate*
Examinations announced by—			
The Commission	11,755	10,400	9,000
Boards of examiners	14,784	15,900	17,700
Total	26,539	26,300	26,700
Applications processed by—			
The Commission	712,026	648,400	559,100
Boards of examiners	1,023,420	1,053,200	1,233,500
Total	1,735,446	1,701,600	1,792,600
Placements made by—			
The Commission	103,261	97,400	81,100
Boards of examiners	157,666	159,600	185,900
Total	260,927	257,000	267,000

2. *Investigation of character and fitness for employment.*—The Commission conducts most of the investigations required for security determinations of persons being employed in sensitive positions and fitness investigations of all persons entering nonsensitive positions. The Commission also conducts other investigations connected with appeals and the merit system.

Production count	*1957 actual*	*1958 estimate*	*1959 estimate*
National agency check and inquiry cases	334,243	301,000	301,000
Limited security investigations	6,354	6,800	6,875
Other personal investigations	5,961	7,140	6,840

3. *Inspections and classification audits.*—The Commission inspects agency personnel operations to insure compliance with civil service laws and regulations and to stimulate improvement in personnel practices. It also conducts classification surveys to insure compliance with classification standards.

4. *Administration of the retirement systems.*—Administering the Civil Service Retirement Act and other benefit acts involves adjudicating annuity, death, benefit, refund, and service credit claims as well as maintaining the control accounts for the fund and making payments to annuitants and other claimants. Public Law 854, approved July 31, 1956, liberalizing benefits under the Retirement Act, has resulted in substantial increases in the volume of work processed.

Production count	*1956 actual*	*1957 actual*	*1958 estimate*	*1959 estimate*
Annuity and death claims	64,909	80,621	87,200	93,490
Refund claims	182,614	201,087	202,920	205,170
Service credit claims	24,840	30,536	36,520	35,450
Inquiries answered	192,332	224,203	219,600	232,560

5. *Developing programs and standards.*—The Commission develops programs, devises tests, issues standards and regulations, and proposes legislation to improve the Federal personnel system for both competitive and noncompetitive positions.

6. *Regulatory, appellate, and advisory functions.*—These consist of the formulation of rules and regulations, hearing and taking action on appeals, and the administration of the political-activities statutes.

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1956, $136,795; 1957, $101,042; 1958, $100,000; 1959, $100,000.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	2,990		2,910		2,920	
Full-time equivalent of all other positions	9		5		2	
Average number of employees	2,799		2,805		2,814	
Number of employees at end of year	2,808		2,823		2,815	
Average GS grade and salary	6.9	$5,253	7.0	$5,273	7.0	$5,288

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CIVIL SERVICE COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$14,823,443	$15,011,058	$15,043,937
Positions other than permanent	38,457	28,248	16,563
Other personal services	287,815	74,494	74,500
Total personal services	15,149,715	15,113,800	15,135,000
02 Travel	444,932	462,000	472,000
03 Transportation of things	61,417	62,000	62,000
04 Communication services	579,148	583,000	583,000
05 Rents and utility services	68,573	78,000	78,000
06 Printing and reproduction	436,513	428,000	428,000
07 Other contractual services	191,987	193,400	230,700
Services performed by other agencies	131,407	130,600	138,300
08 Supplies and materials	232,818	229,000	244,000
09 Equipment	89,476	71,000	71,000
11 Grants, subsidies, and contributions		936,000	975,000
13 Refunds, awards, and indemnities	10,159	10,200	
15 Taxes and assessments	2,704	3,000	3,000
Total obligations	17,398,849	18,300,000	18,420,000

INVESTIGATIONS OF UNITED STATES CITIZENS FOR EMPLOYMENT BY INTERNATIONAL ORGANIZATIONS

[Investigations of United States citizens for employment by international organizations:] For expenses necessary to carry out the provisions of Executive Order No. 10422 of January 9, 1953, as amended, prescribing procedures for making available to the Secretary General of the United Nations, and the executive heads of other international organizations, certain information concerning United States citizens employed, or being considered for employment by such organizations, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), [$491,800] *$383,000*: *Provided*, That this appropriation shall be available for advances or reimbursements to the applicable appropriations or funds of the Civil Service Commission and the Federal Bureau of Investigation for expenses incurred by such agencies under said Executive order: *Provided further*, That members of the International Organizations Employees Loyalty Board may be paid actual transportation expenses, and per diem in lieu of subsistence authorized by the Travel Expense Act of 1949, as amended, while traveling on official business away from their homes or regular places of business, including periods while en route to and from and at the place where their services are to be performed: *Provided further*, That nothing in sections 281 or 283 of title 18, United States code, or in section 190 of the Revised Statutes (5 U. S. C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service as a member of the International Organizations Employees Loyalty Board in the Civil Service Commission as established by Executive Order 10422, dated January 9, 1953, as amended. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$491,800** Estimate 1959, **$383,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Investigations (total costs)	$434,101	$490,296	$372,600
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−10,294		
Obligations incurred for costs of other years (unpaid undelivered orders), net		1,504	10,400
Total program (obligations)	423,807	491,800	383,000
Financing:			
Unobligated balance no longer available	34,148		
New obligational authority	457,955	491,800	383,000
New obligational authority:			
Appropriation	$487,500	$491,800	$383,000
Transferred to "Salaries and expenses," Civil Service Commission (31 U. S. C. 697)	−29,545		
Appropriation (adjusted)	457,955	491,800	383,000

1. *Investigations.*—The Civil Service Commission and the Federal Bureau of Investigation have been conducting investigations of United States citizens considered for employment in international organizations of which the United States Government is a member. In 1959 the Commission will take over most of the investigations which formerly were conducted by the Federal Bureau of Investigation. The reports of these investigations are forwarded to the International Organizations Employees Loyalty Board of the Civil Service Commission which makes advisory determinations under the loyalty standard. The advisory determinations are transmitted, through the Secretary of State, to the Secretary General of the United Nations or the executive heads of other international organizations.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1956, $30,090; 1957, $19,796; 1958, $21,300; 1959, $31,700.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		6	6
Full-time equivalent of all other positions		2	2
Average number of all employees		8	8
Number of employees at end of year		13	13
Average GS grade and salary		7.0 $5,273	7.0 $5,288
01 Personal services:			
Permanent positions		$43,470	$43,470
Positions other than permanent		16,000	16,000
Other personal services		230	230
Total personal services		59,700	59,700
02 Travel		10,000	10,000
04 Communication services		600	600
06 Printing and reproduction		200	200
07 Other contractual services		1,600	1,600
Services performed by other agencies	$423,807	416,700	307,900
08 Supplies and materials		100	100
11 Grants, subsidies, and contributions		2,900	2,900
Total obligations	423,807	491,800	383,000

ANNUITIES, PANAMA CANAL CONSTRUCTION EMPLOYEES AND LIGHTHOUSE SERVICE WIDOWS

[Annuities, Panama Canal construction employees and Lighthouse Service widows:] For payment of annuities authorized by the Act of May 29, 1944, as amended (48 U. S. C. 1373a), and the Act of August 19, 1950 (64 Stat. 465), [$2,360,000] *$2,328,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$2,360,000** Estimate 1959, **$2,328,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payment of annuities to employees engaged in construction of the Panama Canal	$2,269,433	$2,115,000	$2,078,000
2. Payment of benefits to widows of former employees of the Lighthouse Service	254,567	245,000	250,000
Total program (costs—obligations)	2,524,000	2,360,000	2,328,000
Financing:			
Appropriation (new obligational authority)	2,524,000	2,360,000	2,328,000

Annuities are paid to persons who were employed on the construction of the Panama Canal or to their widows, and benefits are paid to widows of former employees of the Lighthouse Service.

	June 30, 1957	*June 30, 1958*	*June 30, 1959*
Panama Canal annuitants	2,416	2,251	2,076
Lighthouse Service widows	400	400	400

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Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$2,524,000	$2,360,000	$2,328,000

Payment to Civil Service Retirement and Disability Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of Government share of retirement (total costs—obligations)	$525,000,000		
Financing:			
Appropriation (new obligational authority)	525,000,000		

Beginning in July 1957, agencies pay to the fund an amount equal to deductions from employees' salaries—6.5% of the covered payroll. Since the total of these receipts exceeds the payments from the fund, no governmentwide appropriation is received for 1959.

Financial statements of the civil service retirement and disability fund are printed in part III of the budget.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$525,000,000		

Trust funds:

Limitation on Administrative Expenses, Employees' Life Insurance Fund

[Administrative expenses, employees' life insurance fund:] Not to exceed $123,800 of the funds in the "Employees' Life Insurance Fund" shall be available for reimbursement to the Civil Service Commission for administrative expenses incurred by the Commission during the current fiscal year in the administration of the Federal Employees' Group Life Insurance Act. (*5 U. S. C. 2091–2103, 68 Stat. 743, Aug. 17, 1954, as amended; Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total program obligations)	$115,990	$123,800	$123,800
Financing:			
Limitation	115,990	123,800	123,800

Administration of the Federal Employees' Group Life Insurance Act.—This limitation covers expenses incurred by the Civil Service Commission in the administration of the Federal Employees' Group Life Insurance Act (5 U. S. C. 2091–2103; 68 Stat. 743, Aug. 17, 1954, as amended). The use of the limitation is reflected in the schedule for "Advances and reimbursements."

Financial statements relating to the employees' life insurance fund are printed in part III of the budget.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$113,980	$123,800	$123,800
09 Equipment	2,010		
Total obligations	115,990	123,800	123,800

Intragovernmental funds:

Investigations

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of services performed	$12,003,083	$9,880,000	$9,945,000
Net gain (−) from sale of fixed assets	−5,795		
Depreciation included above (−)	−87,145	−119,750	−122,250
Total operating costs	11,910,143	9,760,250	9,822,750
Adjustment of cost included above not requiring funding	5,795		
Total operating costs, funded	11,915,938	9,760,250	9,822,750
Capital outlay:			
Acquisition of equipment	152,369	250,000	50,000
Property transferred in without charge (−)	−146		
Total capital outlay, funded	152,223	250,000	50,000
Total program costs, funded	12,068,161	10,010,250	9,872,750
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−309,698		
Obligations incurred for costs of other years, net		212,189	27,500
Total program (obligations)	11,758,463	10,222,439	9,900,250
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of equipment	5,795		
Sales of services	12,006,876	9,880,000	9,945,000
Increase or decrease (−) in accepted orders on hand	−351,227	232,400	37,500
Total amount becoming available	11,661,444	10,112,400	9,982,500
Unobligated balance brought forward	3,711,579	3,607,489	3,487,862
Total amounts available	15,373,023	13,719,889	13,470,362
Capital transfer (payment of earnings to Treasury) (−)	−7,071	−9,588	
Unobligated balance carried forward	−3,607,489	−3,487,862	−3,570,112
Financing applied to program	11,758,463	10,222,439	9,900,250

This fund finances on a reimbursable basis, full field security investigations performed at the request of other departments and agencies of the Government (66 Stat. 107). The capital of the fund consists of $4 million appropriated in 1952.

Budget program.—Because work on some investigations will be started in one fiscal year and completed in another, work-in-process is recognized as an asset of the fund. Agency estimates of investigations to be requested in 1958 and 1959 as compared to 1957 experience are presented below. In addition, the table relates estimated workload receipts to estimates of production, average positions, and unit costs.

CASELOAD, AVERAGE POSITIONS, AND UNIT COSTS

	1957 actual	*1958 estimate*	*1959 estimate*
On hand, beginning of year	11,199	6,788	4,788
Received	46,984	36,000	38,750
Total workload	58,183	42,788	43,538
Processed	51,395	38,000	38,250
On hand, end of year	6,788	4,788	5,288
Average positions	1,512	1,425	1,375
Unit cost	$239	$260	$260

The estimated increase in costs for 1958 and 1959 results to a great extent from the contributions to the retirement fund beginning in July 1957.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$50,860	$65,629	$60,000	$50,000
Work-in-process	477,926	126,699	359,099	396,599
Unpaid undelivered orders	37,645	64,582	50,000	50,000
Deferred charges	177			
Total selected resources at end of year	566,608	256,910	469,099	496,599
Selected resources at start of year (−)		−566,608	−256,910	−469,099
Costs financed from obligations of other years, net (−)		−309,698		
Obligations incurred for costs of other years, net			212,189	27,500

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CIVIL SERVICE COMMISSION—Continued

Intragovernmental funds—Continued

INVESTIGATIONS—Continued

Operating results.—Net earnings each year are paid into Treasury the following year.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$152,223	$250,000	$50,000
Expense	11,564,711	9,992,650	9,860,250
Increase in selected working capital	65,965	322,932	89,517
Total gross expenditures	11,782,899	10,565,582	9,999,767
Receipts from operations (funds provided):			
Revenue	12,006,876	9,880,000	9,945,000
Proceeds from sales of equipment	5,795		
Total receipts from operations	12,012,671	9,880,000	9,945,000
Budget expenditures	−229,772	685,582	54,767

Revenue, Expense, and Retained Earnings

Revenue	$12,006,670	$9,880,000	$9,945,000
Expense	12,003,083	9,880,000	9,945,000
Net operating income, sales program	3,587		
Nonoperating income:			
Sale of equipment:			
Proceeds from sale	5,795		
Trade-in allowance	1,549	40,000	10,000
Total sale price	7,344	40,000	10,000
Net book value of assets sold (−)	−1,549	−40,000	−10,000
Net gain from sale	5,795		
Miscellaneous	206		
Total nonoperating income	6,001		
Net income for the year	9,588		
Analysis of retained earnings:			
Retained earnings, beginning of year	7,071	9,588	
Payment of earnings to Treasury (−)	−7,071	−9,588	
Retained earnings, end of year	9,588		

Financial Condition

Assets:			
Cash with Treasury	$3,767,636	$3,072,466	$3,017,699
Accounts receivable, net	1,203,948	1,235,000	1,243,125
Advances	65,629	60,000	50,000
Work-in-process	126,699	359,099	396,599
Equipment, net	271,888	402,138	329,888
Total assets	5,435,800	5,128,703	5,037,311
Liabilities:			
Current	1,426,212	1,128,703	1,037,311
Government investment:			
Non-interest-bearing capital	4,000,000	4,000,000	4,000,000
Retained earnings	9,588		
Total Government investment	4,009,588	4,000,000	4,000,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$3,544,935	$3,767,636	$3,072,466	$3,017,699
Unobligated balance, net:				
Current liabilities	1,235,481	1,426,212	1,128,703	1,037,311
Unpaid undelivered orders	37,645	64,582	50,000	50,000
Accounts receivable, net (−)	−961,844	−1,203,948	−1,235,000	−1,243,125
Accepted orders on hand (−)	−477,926	−126,699	−359,099	−396,599
Total obligated balance	−166,644	160,147	−415,396	−552,413
Unobligated balance	3,711,579	3,607,489	3,487,862	3,570,112

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,600	1,600	1,425
	Average number of all employees	1,512	1,425	1,375
	Full-time equivalent of all other employees	22	15	15
	Number of employees at end of year	1,597	1,375	1,350
	Average GS grade and salary	6.9 $5,253	7.0 $5,273	7.0 $5,288
01	Personal services:			
	Permanent positions	$7,773,358	$7,281,200	$7,177,500
	Positions other than permanent	87,649	57,600	57,600
	Other personal services	1,405,080	240,300	235,500
	Total personal services	9,266,087	7,579,100	7,470,600
02	Travel	1,597,346	1,338,321	1,315,450
03	Transportation of things	58,717	44,800	45,050
04	Communication services	87,098	66,400	66,800
	Penalty mail	27,869	21,300	21,400
05	Rents and utility services	89,131	68,100	68,450
06	Printing and reproduction	103,761	79,150	79,500
07	Other contractual services	217,667	209,750	209,500
08	Supplies and materials	125,753	95,950	96,500
09	Equipment	152,223	250,000	50,000
	Expendable	1,520	1,200	1,200
11	Grants, subsidies, and contributions	3,062	481,950	474,800
15	Taxes and assessments	1,292	1,000	1,000
	Total accrued expenditures	11,731,526	10,237,021	9,900,250
	Increase or decrease (−) in undelivered orders	26,937	−14,582	
	Total obligations	11,758,463	10,222,439	9,900,250

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Recruiting and examining	$7,724		
2. Investigation of character and fitness for employment	275,443	$208,750	$208,750
4. Administration of the retirement systems	113,980	123,800	123,800
5. Developing programs and standards	11,441	6,350	6,350
6. Regulatory, appellate, and advisory functions	7,892		
7. Executive and administrative services	31		
8. Proceeds from sales of personal property	5,523		
Total obligations	422,034	338,900	338,900
Financing:			
Advances and reimbursements from—			
Other accounts	415,472	338,900	338,900
Non-Federal sources:			
Proceeds from sale of personal property (40 U. S. C. 481(c))	5,523		
Repayment of lump sum payments (5 U. S. C. 61(b))	1,039		
Total financing	422,034	338,900	338,900

Object Classification

	Total number of permanent positions	75	65	65
	Full-time equivalent of all other positions	2		
	Average number of all employees	71	62	62
	Number of employees at end of year	70	62	62
	Average GS grade and salary	6.9 $5,253	7.0 $5,273	7.0 $5,288
01	Personal services:			
	Permanent positions	$370,675	$297,700	$297,200
	Other personal services	706	1,100	1,100
	Total personal services	371,381	298,800	298,300
02	Travel	18,049	1,000	1,000
03	Transportation of things	29		
04	Communication services	6,082	6,000	6,000
05	Rents and utility services	5,915	5,500	5,500
06	Printing and reproduction	7,907	7,700	7,700
07	Other contractual services	5,228		
08	Supplies and materials	1,920	1,000	1,000
09	Equipment	5,523		
11	Grants, subsidies, and contributions		18,900	19,400
	Total obligations	422,034	338,900	338,900

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COMMISSION ON CIVIL RIGHTS

Salaries and Expenses

For expenses necessary for the Commission on Civil Rights, including expenses of attendance at meetings concerned with the purpose of this appropriation, $750,000.

Estimate 1959, **$750,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Investigation and study of civil rights matters (total obligations)			$750,000
Financing:			
Appropriation (new obligational authority)			750,000

The Commission on Civil Rights is responsible for investigating allegations made that citizens are being deprived of their right to vote by reason of their color, race, religion, or national origin; collecting information concerning legal developments constituting a denial of equal protection of the laws under the Constitution; and appraising laws and policies of the Federal Government on equal protection of the laws. The Commission's final report to the President and Congress is due by September 9, 1959. The Commission ceases to exist 60 days after submission of its final report.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Full-time equivalent of all other positions			75
Number of employees end of year			70
01 Personal services: Positions other than permanent			$590,000
02 Travel			40,000
03 Transportation of things			5,000
04 Communication services			8,000
05 Rents and utility services			8,000
06 Printing and reproduction			40,000
07 Other contractual services			40,000
08 Supplies and materials			10,000
09 Equipment			5,000
15 Taxes and assessments			4,000
Total obligations			750,000

COMMISSION ON GOVERNMENT SECURITY

Current authorizations:

Salaries and Expenses

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Study of Government security program (total obligations)	$614,988	$49,071	
Financing:			
Unobligated balance brought forward	−135,233		
Unobligated balance no longer available	152,745	103,674	
New obligational authority	632,500	152,745	
New obligational authority:			
Appropriation	$632,500		
Reappropriation		$152,745	

The Commission submitted a report to the President and the Congress on June 21, 1957, and has ceased to exist.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	63	3	
Number of employees at end of year	28	0	
01 Personal services: Positions other than permanent	$505,972	$41,432	
02 Travel	33,031	1,936	
03 Transportation		114	
04 Communication services	8,105	2,788	
05 Rents and utility services	913	100	
06 Printing and reproduction	44,553	1,433	
07 Other contractual services	7,996	577	
08 Supplies and materials	8,581	54	
09 Equipment	2,011	−15	
11 Grants, subsidies, and contributions		543	
15 Taxes and assessments	3,826	109	
Total obligations	614,988	49,071	

COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS

Current authorizations:

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Preparation of recommendations to bring about increased industrial use of agricultural products (total obligations)	$128,851		
Financing:			
Unobligated balance no longer available	21,149		
Appropriation (new obligational authority)	150,000		

On June 15, 1957, the Commission reported to Congress specific recommendations to bring about the greatest practical use for industrial purposes of agricultural products not needed for human or animal consumption.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Full-time equivalent of all other positions	5		
Average number of all employees	5		
Number of employees at end of year	0		
01 Personal services:			
Positions other than permanent	$49,222		
Other personal services	269		
Total personal services	49,491		
02 Travel	55,641		
03 Transportation of things	14		
04 Communication services	1,447		
06 Printing and reproduction	6,754		
07 Other contractual services	2,128		
Services performed by other agencies	12,422		
08 Supplies and materials	118		
13 Refunds, awards, and indemnities	200		
15 Taxes and assessments	636		
Total obligations	128,851		

DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

Current authorizations:

Salaries and Expenses

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Formulation of plans for construction of auditorium (total obligations)	$94,674		

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DISTRICT OF COLUMBIA AUDITORIUM COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$55,326		
Appropriation (new obligational authority)	150,000		

The Commission has completed its assignment by presenting a report to the President and the Congress. Legislation is pending which would rename the Commission and direct it to develop a national cultural center. No funds are requested pending action on this legislation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$6,225		
02 Travel	1,648		
04 Communication services	961		
05 Rents and utility services	317		
06 Printing and reproduction	8,769		
07 Other contractual services	76,635		
08 Supplies and materials	119		
Total obligations	94,674		

CORPORATIONS

The following corporation is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1958] *1959* for such corporation, except as hereinafter provided: (*Supplemental Appropriation Act, 1958.*)

EXPORT-IMPORT BANK OF WASHINGTON

Public enterprise funds:

EXPORT-IMPORT BANK OF WASHINGTON FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loan and guaranty program:			
Direct loan commitments:			
Development project loans	$439,615,674	$519,000,000	$496,000,000
Exporter loans	55,296,147	130,000,000	90,000,000
Commodity loans	69,896,800	194,000,000	130,000,000
Emergency foreign trade loans	500,000,000	60,000,000	
Guaranteed loan commitments:			
Development project loans		4,000,000	26,000,000
Exporter loans	155,974	2,000,000	11,000,000
Commodity loans	2,353,200	4,000,000	13,000,000
Total, loan and guaranty program	1,067,317,795	913,000,000	766,000,000
Insurance	31,574,812	20,000,000	15,000,000
Administrative expenses:			
Subject to limitation	1,642,345	1,900,000	2,055,000
Other	34,728	48,000	46,000
Total, administrative expenses	1,677,073	1,948,000	2,101,000
Purchase of equipment	29,776	30,000	20,000
Interest on borrowings from Treasury	23,184,584	31,198,125	42,176,750
Total program (obligations)	1,123,784,040	966,176,125	825,297,750
Financing:			
Amounts becoming available:			
Collection of loans	265,052,835	300,713,738	395,470,175
Interest income from loans	85,407,768	95,453,125	109,424,750
Insurance premiums	32,945	20,000	16,000
Recovery of prior-year obligations	79,092,386	76,263,983	131,288,716
Total amounts becoming available	429,585,934	472,450,846	636,199,641

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:—Continued			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$2,039,776,425	$1,323,078,319	$806,853,040
Total amounts available	2,469,362,359	1,795,529,165	1,443,052,681
Capital transfers (payment of dividends to Treasury (—))	−22,500,000	−22,500,000	−22,500,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,323,078,319	−806,853,040	−595,254,931
Financing applied to program	1,123,784,040	966,176,125	825,297,750

The Export-Import Bank is a Government-owned corporation which facilitates the financing of exports and imports. To do this it participates in or guarantees credits extended by U. S. exporters, commercial banks, and other financial institutions to foreign purchasers of exports from the United States. It makes direct loans to finance U. S. exports and imports. It also insures certain exports against risks of war and expropriation. At present, the total amount of loans, guaranties, and insurance which the Bank may have outstanding at one time is $5 billion (12 U. S. C. 635).

As the following table shows, it is estimated that the Bank's uncommitted lending authority will be reduced to $300 million by the end of 1958 and will be virtually exhausted by the end of 1959.

	1957 actual	*1958 estimate*	*1959 estimate*
Statutory authority	$5,000,000,000	$5,000,000,000	$5,000,000,000
Charges against authority: Loans outstanding	2,603,144,015	3,063,278,171	3,211,920,544
Undisbursed loan commitments	1,535,632,561	1,631,980,720	1,738,079,456
Unexpired insurance policies	3,456,941	3,000,000	2,500,000
Total charges against authority	4,142,233,517	4,698,258,891	4,952,500,000
Unused authority	857,766,483	301,741,109	[1] 47,500,000

[1] Reserved for insurance.

To finance future operations as well as to maintain a prudent current reserve of authority to meet emergencies which may arise, legislation will be requested in 1958 to raise the limit on the Bank's lending and borrowing authority by $2 billion. This request is shown below in a separate schedule.

The Bank's policy is to extend credit only when private capital is unavailable. It encourages private participation in the credits extended. Loans generally are made only for specific transactions or projects. No loan is made unless the Directors believe it has reasonable assurance of repayment.

Budget program—Development project loans.—A major portion of the Bank's assistance for the exportation of U. S. materials, equipment, and services continues to be in the form of medium and longer term credits for development projects abroad. These loans not only finance export sales, but lay the foundation for expanded future trade as foreign economies become stronger. It is estimated that 86 loans will be authorized or guaranteed by the Bank during 1959 to finance exports for such projects abroad involving power, agriculture, transportation, and industrial development.

DATA ON DEVELOPMENT PROJECT LOANS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Export-Import Bank funds:			
Credit authorizations in the year	$439.6	$519.0	$496.0
Loan disbursements in the year	145.3	254.4	343.9
Loan principal repayments in the year	85.1	106.4	111.7
Loans outstanding June 30	1,042.2	1,190.1	1,422.3
Guaranteed loans:			
Credit authorizations in the year	-------	4.0	26.0
Loan disbursements in the year	-------	2.0	18.0
Loan principal repayments in the year	5.6	1.0	2.1
Loans outstanding June 30	18.0	19.1	34.9

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Exporter loans.—Credits requested by exporters are authorized on a case-by-case basis to assist U. S. manufacturers and exporters to sell abroad on deferred payments. Such loans authorized in 1957 included credits to finance a wide range of capital goods shipped to countries throughout the world.

The Bank has continued to establish credit lines for individual exporters of capital equipment. The recipient of such a line knows in advance of new foreign sales how much assistance he will be able to obtain for such sales as are made on credit, provided that the Bank's criteria on the type of export and the credit standing of the importer are met.

DATA ON EXPORTER LOANS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Export-Import Bank funds:			
Credit authorizations in the year	$55.3	$130.0	$90.0
Loan disbursements in the year	23.6	64.0	66.7
Loan principal repayments in the year	8.4	11.9	15.2
Loans outstanding June 30	44.3	96.4	148.0
Guaranteed loans:			
Credit authorizations in the year	.2	2.0	11.0
Loan disbursements in the year	.5	1.8	7.0
Loan principal repayments in the year	1.7	1.7	1.7
Loans outstanding June 30	4.3	4.4	9.6

Commodity loans.—Credits are authorized by the Bank to finance the sale abroad of U. S. commodities such as cotton, wheat, barley, soybeans, or tobacco, involving medium term financing for periods of from 9 months to several years not available from private credit sources.

DATA ON COMMODITY LOANS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Export-Import Bank funds:			
Loan authorizations in the year	$69.9	$194.0	$130.0
Loan disbursements in the year	60.7	132.4	105.4
Loan principal repayments in the year	55.1	60.4	140.1
Loans outstanding June 30	60.5	132.6	97.8
Guaranteed loans:			
Loan authorizations in the year	2.3	4.0	13.0
Loan disbursements in the year	2.9	2.0	9.0
Loan principal repayments in the year	5.8	3.1	2.0
Loans outstanding June 30	3.1	2.0	9.0

Emergency foreign trade loans.—From time to time the Bank is called upon to provide financial assistance to meet emergency situations adversely affecting normal trade between the United States and another country. Such loans may take the form of lines of credit to a foreign central bank or other bank or financial institution to provide dollar exchange for a wide range of United States exports, credits to fund commercial arrearages resulting from dollar exchange difficulties, or credits to assist in financing purchases in the United States required for reconstruction abroad following a national disaster. In 1957 a $500 million credit was authorized to the United Kingdom, secured by collateral, to meet, if needed, dollar requirements for goods and services to be obtained in the United States. The estimate of emergency credits for 1958 is $60 million. Emergency credits in 1959 will be financed out of the $2 billion increase in authority proposed for later transmission.

Substantial emergency credits to European countries were disbursed during the years immediately following World War II. Payments of principal and interest on these loans are being received promptly.

DATA ON EMERGENCY FOREIGN TRADE LOANS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Export-Import Bank funds:			
Credit authorizations in the year	$500.0	$60.0	------
Loan disbursements in the year	------	310.0	------
Loan principal repayments in the year	116.4	122.0	$128.5
Loans outstanding June 30	1,430.7	1,618.7	1,490.2

Insurance.—Besides its lending operations, the Bank insures against the risks of war and expropriation the property of United States exporters which is held abroad on consignment awaiting sale. A total of 759 policies were issued by the Bank in 1957 covering 183,637 bales of cotton valued at $31,574,812. It is estimated that policies covering cotton to a value of $15,000,000 will be issued in 1959.

Other operations.—Beginning in 1958, the Bank will make loans in certain foreign currencies to private firms for economic development and trade expansion. The foreign currencies will become available as part of the proceeds of U. S. surplus agricultural commodity sales abroad (71 Stat. 345).[1]

The Bank also serves as administering agent for mutual security loans and guaranties against currency transfer risk and expropriation authorized by the International Cooperation Administration and for defense production loans made by the Office of Defense Mobilization. It also acts as collecting agent for the Treasury on the debt settlement agreement with the Federal Republic of Germany.

Administrative expenses.—The limitation proposed by the Bank to cover its needs for administrative expenses in 1959 is $2,055,000, an increase of $155,000 over 1958. In addition, foreign currencies equivalent to $200,000 are requested to cover costs incurred abroad in making loans of foreign currencies to private firms (71 Stat. 345).[1]

Operating results and financial condition.—During the coming fiscal year the net income of the Bank is expected to amount to $65.1 million, of which $22.5 million will be paid to the Treasury as a dividend, and the remainder added to the Bank's retained earnings. Net investment of the Government in the corporation is expected to be $3,185.5 million at the end of 1959, consisting of $1 billion in capital stock, $1,637.6 million of borrowings from Treasury, and $547.9 million of retained earnings, available for future contingencies.

It is anticipated that the Bank's loan disbursements and other payments will exceed loan collections and other receipts by $399.9 million in the current fiscal year. However, in the budget year 1959 heavy repayments of short term commodity loans will reduce the net budget expenditure to $57 million.

[1] These foreign currencies are set forth in detail in special schedules below.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loan and guaranty program:			
Acquisition of loans	$230,985,117	$760,829,149	$516,000,000
Acquisition of equipment	29,776	30,000	20,000
Expense	24,849,267	33,138,125	44,271,750
Reimbursable expense	25,369	20,400	25,000
Insurance program: Expense	12,391	8,000	6,000
Increase in selected working capital	936,498	2,129,748	1,613,500
Total gross expenditures	256,838,418	796,155,422	561,936,250
Receipts from operations (funds provided):			
Loan and guaranty program:			
Loans repaid	265,052,835	300,713,738	395,470,175
Revenue	85,407,768	95,453,125	109,424,750
Reimbursement of expense	25,369	20,400	25,000
Insurance program: revenue	32,945	20,000	16,000
Total receipts from operations	350,518,917	396,207,263	504,935,925
Budget expenditures	−93,680,499	399,948,159	57,000,325

Revenue, Expense, and Retained Earnings

Loan and guaranty program:			
Revenue	$85,407,768	$95,453,125	$109,424,750
Expense	24,862,350	33,153,125	44,286,750
Net operating income, loan and guaranty program	60,545,418	62,300,000	65,138,000

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EXPORT-IMPORT BANK OF WASHINGTON—Con.

Public enterprise funds—Continued

EXPORT-IMPORT BANK OF WASHINGTON FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Insurance program:			
Revenue	$32,945	$20,000	$16,000
Expense	12,391	8,000	6,000
Net operating income, insurance program	20,554	12,000	10,000
Net income for the year	60,565,972	62,312,000	65,148,000
Analysis of retained earnings:			
Retained earnings, beginning of year	427,352,123	465,418,095	505,230,095
Payment of dividends to Treasury (—)	−22,500,000	−22,500,000	−22,500,000
Retained earnings, end of year	465,418,095	505,230,095	547,878,095

Financial Condition

Assets:			
Cash with Treasury and in banks	$43,704,224	$2,856,065	$1,355,740
Accounts receivable	24,551,893	26,793,466	28,456,966
Supplies	3,576	3,576	3,576
Loans receivable	2,577,710,830	3,037,826,241	3,158,356,066
Furniture and equipment, net	87,588	102,588	107,588
Total assets	2,646,058,111	3,067,581,936	3,188,279,936
Liabilities:			
Current	2,640,016	2,751,841	2,801,841
Government investment:			
Interest-bearing capital:			
Start of year	1,206,500,000	1,178,000,000	1,559,600,000
Borrowings from Treasury during year, net	−28,500,000	381,600,000	78,000,000
End of year	1,178,000,000	1,559,600,000	1,637,600,000
Non-interest-bearing capital: Capital stock	1,000,000,000	1,000,000,000	1,000,000,000
Retained earnings	465,418,095	505,230,095	547,878,095
Total Government investment	2,643,418,095	3,064,830,095	3,185,478,095

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$1,023,725	$43,704,224	$2,856,065	$1,355,740
Budget authorizations	2,793,500,000	2,822,000,000	2,440,400,000	2,362,400,000
Total unexpended balance	2,794,523,725	2,865,704,224	2,443,256,065	2,363,755,740
Obligated balance, net:				
Current liabilities	1,701,290	2,640,016	2,751,841	2,801,841
Undisbursed loan obligations	739,239,635	1,535,632,561	1,631,980,720	1,738,079,456
Unpaid undelivered orders		15,095	12,000	12,000
Unexpired war risk insurance		3,456,941	3,000,000	2,500,000
Guaranteed loans outstanding	36,486,621	25,433,185	25,451,930	53,564,478
Accounts receivable (—)	−22,680,246	−24,551,893	−26,793,466	−28,456,966
Total obligated balance	754,747,300	1,542,625,905	1,636,403,025	1,768,500,809
Unobligated balance	2,039,776,425	1,323,078,319	806,853,040	595,254,931

LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-IMPORT BANK OF WASHINGTON [(LIMITATION)]

Not to exceed [$1,900,000] *$2,055,000* (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for [all] administrative expenses of the Bank, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed [$50] *$100* per diem for individuals, and not to exceed $9,000 for entertainment allowances for members of the Board of Directors when specifically authorized by the Chairman of the Board*; and, in addition, not to exceed the equivalent of $200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank in foreign countries incident to such loans: Provided,* That *fees or dues to international organizations of credit institutions engaged in financing foreign trade and* necessary expenses (including special services performed on a contract or fee basis, but not including other personal services[, and fees or dues to international organizations of credit institutions engaged in financing foreign trade]) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof. *(12 U. S. C. 635–635 (i); Supplemental Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$1,642,345	$1,900,000	$2,055,000
Financing:			
Unobligated balance no longer available	27,655		
Limitation	1,670,000	1,900,000	2,055,000

Object Classification

Total number of permanent positions	202	209	234
Full-time equivalent of all other positions	1	1	1
Average number of all employees	185	200	221
Number of employees at end of year	185	205	227
Average GS grade and salary	8.9 $6,842	8.8 $6,947	8.8 $6,885
01 Personal services:			
Permanent positions	$1,341,201	$1,462,771	$1,599,000
Positions other than permanent	2,416	3,000	10,000
Other personal services	8,158	16,600	9,600
Excess of annual leave earned over leave taken	25,185	6,000	6,500
Total personal services	1,376,960	1,488,371	1,625,100
02 Travel	84,470	110,000	110,000
03 Transportation of things	1,596	1,500	2,000
04 Communication services	20,451	21,300	22,500
05 Rents and utility services	129,025	145,300	160,000
06 Printing and reproduction	13,171	16,700	18,900
07 Other contractual services	17,634	24,200	25,500
Services performed by other agencies	11,326	19,379	16,250
08 Supplies and materials	12,807	14,750	16,050
11 Grants, subsidies, and contributions		92,200	103,500
15 Taxes and assessments	274	300	300
Total administrative expenses	1,667,714	1,934,000	2,100,100
Less reimbursements from other accounts	25,369	34,000	45,100
Total obligations	1,642,345	1,900,000	2,055,000

LIQUIDATION OF CERTAIN RECONSTRUCTION FINANCE CORPORATION ASSETS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Expense	$199	$200	$200
Interest on borrowings	557,666	438,717	316,379
Total program (costs—obligations)	557,865	438,917	316,579
Financing:			
Amounts becoming available: Receipts from operations:			
Collection of loans	6,142,686	6,028,334	6,006,232
Interest income from loans	716,667	561,576	413,372
Sale of investments		1,250,001	
Total amounts becoming available	6,859,353	7,839,911	6,419,604
Unobligated balance brought forward (authorization to expend from public debt receipts)	88,018	78,364	58,929
Total amounts available	6,947,371	7,918,275	6,478,533
Repayment of borrowings from Treasury (—)	−6,165,837	−6,132,384	−6,110,021
Capital transfers:			
Repayment of investment to Treasury (—)	−142,686	−1,278,335	−6,232
Payment of profits to Treasury (—)	−2,619	−9,710	−733
Unobligated balance carried forward (authorization to expend from public debt receipts)	−78,364	−58,929	−44,968
Financing applied to program	557,865	438,917	316,579

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Reorganization Plan No. 2 of 1954 relating to the liquidation of the Reconstruction Finance Corporation transferring certain foreign bonds, notes, and securities to the Export-Import Bank, became effective as of close of business June 30, 1954.

Liquidating proceeds of these assets are paid to the Treasury, and are not available for future borrowing. Revenue and receipts are estimated to amount to $7,839,911 in 1958 and $6,419,604 in 1959, thereby reducing the net investment of the U. S. Government to $15,063,660.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$557,865	$438,917	$316,579
Receipts from operations (funds provided):			
Loans repaid	6,142,686	6,028,334	6,006,232
Revenue	716,667	561,576	413,372
Proceeds from sale of investments		1,250,001	
Decrease in selected working capital	9,654	19,435	13,961
Total receipts from operations	6,869,007	7,859,346	6,433,565
Budget expenditures	−6,311,142	−7,420,429	−6,116,986

Revenue, Expense, and Retained Earnings

Revenue	$716,667	$561,576	$413,372
Expense	557,865	438,917	316,579
Net income for the year	158,802	122,659	96,793
Analysis of retained earnings:			
Retained earnings, beginning of year	386,621	542,804	655,753
Payment of profits to Treasury (−)	−2,619	−9,710	−733
Retained earnings, end of year	542,804	655,753	751,813

Financial Condition

Assets:			
Accounts receivable	$343,838	$262,747	$187,685
Loans receivable	27,053,258	21,024,924	15,018,692
Investments, net	1,250,001		
Total assets	28,647,097	21,287,671	15,206,377
Liabilities:			
Current	265,474	203,818	142,717
Government investment:			
Interest-bearing capital:			
Start of year	32,701,397	26,535,560	20,403,176
Repayments to Treasury during year (−)	−6,165,837	−6,132,384	−6,110,021
End of year	26,535,560	20,403,176	14,293,155
Non-interest-bearing capital:			
Start of year	1,445,945	1,303,259	24,924
Repayment of capital to Treasury (−)	−142,686	−1,278,335	−6,232
End of year	1,303,259	24,924	18,692
Retained earnings	542,804	655,753	751,813
Total Government investment	28,381,623	21,083,853	15,063,660

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance				
Obligated balance, net:				
Current liabilities	$331,320	$265,474	$203,818	$142,717
Accounts receivable (−)	−419,338	−343,838	−262,747	−187,685
Total obligated balance	−88,018	−78,364	−58,929	−44,968
Unobligated balance	88,018	78,364	58,929	44,968

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services (positions other than permanent)	$199	$200	$200
14 Interest	557,666	438,717	316,379
Total obligations	557,865	438,917	316,579

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Private Enterprise Loans from Foreign Currencies

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Loans		$15,750,000	$52,290,000
2. Operating expense			200,000
Total program obligations		15,750,000	52,490,000
Financing:			
Unobligated balance brought forward			−52,490,000
Unobligated balance carried forward		52,490,000	
Authorization to expend foreign currency receipts pursuant to 71 Stat. 345		68,240,000	

Under the "Cooley amendment" to the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), the Export-Import Bank will make loans in foreign currencies to American private enterprises, for economic development in foreign countries, and to American or, in certain cases, foreign private enterprises for trade expansion from allocations of up to 25% of the proceeds from sales abroad of surplus agricultural commodities. Amounts in this schedule reflect only estimated funds to become available for this purpose in agreements made or under negotiation as of October 31, 1957.

Operating Expenses—Foreign Currencies

	1957 actual	1958 estimate	1959 estimate
01 Personal services (contract or fee basis)			$175,000
02 Travel			15,000
04 Communication services			5,000
06 Printing and reproduction			5,000
Total operating expenses			200,000

Analysis of Expenditures

Obligated balance brought forward			$14,250,000
Obligations incurred		$15,750,000	52,490,000
Obligated balance carried forward		−14,250,000	−56,740,000
Total expenditures		1,500,000	10,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loans and guaranty management for other agencies (total obligations)	$25,369	$34,000	$45,100
Financing:			
Advances and reimbursements from other accounts	25,369	34,000	45,100

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	3	4	5
Average employees at end of year	3	4	5
Average GS grade and salary	8.9 $6,842	8.8 $6,947	8.8 $6,885
01 Personal services (permanent positions)	$23,109	$29,500	$39,450
02 Travel	15		
04 Communication services	53	50	50
05 Rents and utility services	1,498	2,000	2,530
06 Printing and reproduction	654	800	800
07 Other contractual services	40		
11 Grants, subsidies, and contributions		1,650	2,270
Total obligations	25,369	34,000	45,100

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EXPORT-IMPORT BANK OF WASHINGTON—Con.

Proposed for later transmission:

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Emergency foreign trade loans (total obligations)			$200,000,000
Financing:			
Unobligated balance brought forward			−2,000,000,000
Unobligated balance carried forward		$2,000,000,000	1,800,000,000
Proposed supplemental authorization to expend from public debt receipts		2,000,000,000	

Under proposed legislation, 1958.—As discussed above, to finance future operations the Bank will request an increase of $2 billion in lending and borrowing authority in 1958. It is estimated that $200 million of the new authority will be required for emergency loans in 1959.

FARM CREDIT ADMINISTRATION

Permanent authorizations:

ADMINISTRATIVE EXPENSES

(Indefinite special account)

Appropriated (est.) 1958, **$2,200,000** Estimate 1959, **$2,125,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administrative expenses (total obligations)	$1,992,488	$2,200,000	$2,125,000
Financing:			
Unobligated balance brought forward	−984,093	−1,137,435	−1,137,435
Recovery of prior year obligations	−3,625		
Unobligated balance carried forward	1,137,435	1,137,435	1,137,435
Appropriation (new obligational authority)	2,142,205	2,200,000	2,125,000

Assessments based upon estimated administrative expenses are collected from agencies in the farm credit system, are appropriated to this special fund account, and are made available for administrative expenses. Obligations are incurred within fiscal year limitations under "Limitation on administrative expenses, Farm Credit Administration."

LIMITATION ON ADMINISTRATIVE EXPENSES, FARM CREDIT ADMINISTRATION

Not to exceed [$2,200,000] *$2,125,000* (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses. *(12 U. S. C. 636; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Supervision and examination of farm credit banks and associations (total obligations)	$1,992,488	$2,200,000	$2,125,000
Financing:			
Unobligated balance no longer available	237,512		
Limitation	2,230,000	2,200,000	2,125,000

The Administration supervises a coordinated agricultural credit system of farm credit banks and associations which make credit available to farmers and their cooperatives.

Provision is made for supervision and examination of: 12 Federal land banks (wholly farmer-owned); 13 banks for cooperatives (mixed ownership); 12 Federal intermediate credit banks (mixed ownership); the Federal Farm Mortgage Corporation (wholly Government-owned); 1,030 national farm loan associations; and 497 production credit associations. Also, these credit agencies are furnished such services as assistance in financing and investments, custody of collateral for bonds and debentures, credit analysis, development of appraisal standards and policies, preparation of reports and budgets, and development and distribution of information on farm credit.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	249	263	235
	Average number of all employees	239	241	232
	Number of employees at end of year	235	236	232
	Average GS grade and salary	8.8 $6,770	8.9 $6,843	8.7 $6,727
01	Personal services:			
	Permanent positions	$1,603,486	$1,648,100	$1,572,010
	Positions other than permanent:			
	Board compensation	31,835	45,000	45,000
	Other personal services	8,150	12,900	13,990
	Total personal services	1,643,471	1,706,000	1,631,000
02	Travel	227,408	269,500	269,500
03	Transportation of things	3,151	5,000	5,000
04	Communication services	25,678	30,000	30,000
05	Rents and utility services	6,756	3,000	1,000
06	Printing and reproduction	21,456	25,000	25,000
07	Other contractual services	40,516	25,000	25,000
	Services performed by other agencies	7,498		
08	Supplies and materials	12,782	20,000	20,000
09	Equipment	1,940	15,000	15,000
11	Grants, subsidies, and contributions		100,000	102,000
13	Refunds, awards, and indemnities	1,450	1,000	1,000
15	Taxes and assessments	382	500	500
	Total obligations	1,992,488	2,200,000	2,125,000

Public enterprise funds:

FEDERAL FARM MORTGAGE CORPORATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Preserving, leasing, and disposing of reserved mineral interests	$76,074	$5,000	
Other	2,461	500	$500
Total program (costs—obligations)	78,535	5,500	500
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of notes receivable		1,978,000	2,042,000
Leases and sale of reserved mineral interests	641,513	26,500	
Other receipts	25		
Total amounts becoming available	641,538	2,004,500	2,042,000
Unobligated balance brought forward:			
Cash	2,539,020	1,072,723	531,723
Authorization to expend from corporate debt receipts	499,705,300	499,734,600	
Total amounts available	502,885,858	502,811,823	2,573,723
Capital transfer:			
Payment of dividend to Treasury (−)	−2,000,000	−2,500,000	−2,200,000
Repayment of capital stock (−)		−10,000	
Unobligated balance rescinded		−499,764,600	−30,000
Unobligated balance carried forward:			
Cash	−1,072,723	−531,723	−343,223
Authorization to expend from corporate debt receipts	−499,734,600		
Financing applied to program	78,535	5,500	500

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The Corporation is in liquidation. It financed Land Bank Commissioner loans until July 1, 1947, and assisted Federal land banks in their financing.

Budget program.—As of June 30, 1955, the Corporation liquidated its remaining loans through bulk sale to the Federal land banks in exchange for non-interest-bearing notes to be collected over a 10-year period. Its only remaining activity was the disposal of reserved mineral interests which were transferred to the Department of the Interior on September 6, 1957, pursuant to Public Law 760, approved September 6, 1950.

Financing.—All of the $200 million investment of the Government has been repaid to Treasury. In addition, authority of the Corporation to issue corporate bonds was eliminated in 1958.

Operating results and financial condition.—The retained earnings of the Corporation at the end of 1959, after making dividend payment to the Treasury of $2.2 million, are expected to be $5.7 million. Payments will continue to be made to the Treasury until final liquidation.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$78,535	$5,500	$500
Increase in selected working capital	6,268	7,000	6,000
Total gross expenditures	84,803	12,500	6,500
Receipts from operations (funds provided):			
Collection of notes receivable—Federal land banks		1,978,000	2,042,000
Revenues	641,538	26,500	
Total receipts from operations	641,538	2,004,500	2,042,000
Budget expenditures	−556,735	−1,992,000	−2,035,500

Revenue, Expense, and Retained Earnings

Expense (net loss (−))	−$2,457	−$500	−$500
Nonoperating income or loss (−):			
Lease and sale of reserved mineral interests	641,513	26,500	
Other	25		
Expense of preserving, leasing, and disposing of reserved mineral interests	−76,074	−5,000	
Other	−4		
Net nonoperating income	565,460	21,500	
Net income or loss (−) for the year	563,003	21,000	−500
Analysis of retained earnings:			
Retained earnings, beginning of year	11,856,305	10,419,308	7,940,308
Payment of dividend to Treasury (−)	−2,000,000	−2,500,000	−2,200,000
Retained earnings, end of year	10,419,308	7,940,308	5,739,808

Financial Condition

Assets:			
Cash with Treasury	$1,120,861	$572,861	$378,361
Notes receivable—Federal land banks	9,621,985	7,643,985	5,601,985
Total assets	10,742,846	8,216,846	5,980,346
Liabilities:			
Current liabilities	48,138	41,138	35,138
Bonds payable: Held by public, matured principal	265,400	235,400	205,400
Total liabilities	313,538	276,538	240,538
Government investment:			
Non-interest-bearing capital:			
Start of year	10,000	10,000	
Repayment of capital stock (−)		−10,000	
End of year	10,000		
Retained earnings	10,419,308	7,940,308	5,739,808
Total Government investment	10,429,308	7,940,308	5,739,808

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balances:				
Cash with Treasury	$2,593,426	$1,120,861	$572,861	$378,361
Budget authorization	499,705,300	499,734,600		
Total unexpended balance	502,298,726	500,855,461	572,861	378,361
Obligated balance, net:				
Current liabilities	54,406	48,138	41,138	35,138
Unobligated balance	502,244,320	500,807,323	531,723	343,223

Limitation on Administrative Expenses, Federal Farm Mortgage Corporation

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be [applied first to the retirement of the remaining Government investment in the capital stock of the Corporation and then to] *declared as* dividends which shall be paid into the general fund of the Treasury. (*12 U. S. C. 1020; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Limitation (unobligated balance no longer available)	$550,000		

Object Classification

07	Other contractual services:			
	Subject to limitation	−$450		
	Not subject to limitation	78,985	$5,500	$500

Federal Intermediate Credit Banks Investment Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward		$40,000,000	$40,000,000
Unobligated balance transferred from "Federal intermediate credit banks revolving fund" (70 Stat. 660)	$40,000,000		
Unobligated balance carried forward	−40,000,000	−40,000,000	−40,000,000
Financing applied to program			

This fund is available to Farm Credit Administration as a revolving fund for investment in capital stock of the Federal intermediate credit banks (12 U. S. C. 1131i (e), 70 Stat. 660).

Production Credit Associations Investment Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Investment in capital stock of production credit associations (total obligations)	$50,000	$500,000	$1,000,000
Financing:			
Amounts becoming available: Retirement of investment in capital stock of production credit associations	10,000	300,000	400,000
Unobligated balance brought forward		58,130,000	57,930,000
Unobligated balance transferred from "Farm Credit Administration revolving fund" (70 Stat. 665)	60,765,000		
Total amounts available	60,775,000	58,430,000	58,330,000

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FARM CREDIT ADMINISTRATION—Continued

Public enterprise funds—Continued

PRODUCTION CREDIT ASSOCIATIONS INVESTMENT FUND—Con.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Capital transfer (repayment of investment to Treasury) (−)	−$2,595,000		
Unobligated balance carried forward	−58,130,000	−$57,930,000	−$57,330,000
Financing applied to program	50,000	500,000	1,000,000

This fund is available to Farm Credit Administration for investment in capital stock of the production credit associations (70 Stat. 665).

Object Classification

	1957 actual	1958 estimate	1959 estimate
16 Investments and loans: Investments in capital stock of production credit associations	$50,000	$500,000	$1,000,000

AGRICULTURAL MARKETING REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Repayment of purchase money mortgage	$47,235		
Revenue: Interest on loans	1,773		
Recovery of prior year obligations	2,686,500	$5,726,000	$5,000,000
Total amounts becoming available	2,735,508	5,726,000	5,000,000
Unobligated balance brought forward	35,864,564	38,600,072	44,326,072
Total amounts available	38,600,072	44,326,072	49,326,072
Unobligated balance carried forward	−38,600,072	−44,326,072	−49,326,072
Financing applied to program			

This fund is available for investments in the capital stock of the banks for cooperatives (12 U. S. C. 1134).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Financing program:			
Repayments on purchase money mortgage	$47,235		
Retirement of investments in capital stock of district banks for cooperatives	1,986,500	$4,126,000	$3,800,000
Retirement of investment in capital stock of Central Bank for Cooperatives	700,000	1,600,000	1,200,000
Revenue	1,773		
Total receipts from operations	2,735,508	5,726,000	5,000,000
Budget expenditures	−2,735,508	−5,726,000	−5,000,000

Revenue, Expense, and Retained Earnings

Financing program: Revenue (net income for the year)	$1,773		
Retained earnings, beginning of year	15,942,966	$15,944,739	$15,944,739
Retained earnings, end of year	15,944,739	15,944,739	15,944,739

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$38,600,072	$44,326,072	$49,326,072
Investments in capital stock:			
District banks for cooperatives	97,513,500	93,387,500	89,587,500
Central Bank for Cooperatives	49,800,000	48,200,000	47,000,000
Total assets	185,913,572	185,913,572	185,913,572
Government investment:			
Non-interest-bearing capital	169,968,833	169,968,833	169,968,833
Retained earnings	15,944,739	15,944,739	15,944,739
Total Government investment	185,913,572	185,913,572	185,913,572

Status of Certain Fund Balances

	1956 actual	1957 actual	1957 estimate	1959 estimate
Unexpended balance: Cash with Treasury (unobligated balance)	$35,864,564	$38,600,072	$44,326,072	$49,326,072

FEDERAL INTERMEDIATE CREDIT BANKS REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$37,300,000		
Repayments, cancellations, and recovery of prior year obligations (net return of capital from Federal intermediate credit banks)	2,700,000		
Total available for obligation	40,000,000		
Unobligated balance transferred to "Federal intermediate credit banks investment fund" (70 Stat. 660)	−40,000,000		
Total financing			

This fund was available to the Federal intermediate credit banks as a "feeder" appropriation for capital stock and paid-in surplus until December 31, 1956, when it was transferred to Farm Credit Administration (12 U. S. C. 1131i (e), 70 Stat. 660).

FARM CREDIT ADMINISTRATION REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$60,765,000		
Unobligated balance transferred to "Production credit associations investment fund" (70 Stat. 665)	−60,765,000		
Total financing			

This fund was available to the production credit corporations as a "feeder" appropriation for capital until December 31, 1956, when the corporations were merged with the Federal intermediate credit banks and the fund was transferred to Farm Credit Administration (12 U. S. C. 1131b, 70 Stat. 665).

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Operating Fund, Federal Intermediate Credit Banks

Program and Financing

	July 1 to Dec. 31, 1956, actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Agricultural financing program:			
(a) Administrative expenses	$1,624,295		
(b) Farm Credit Administration assessment	293,965		
(c) Franchise tax	47,937		
(d) Other	6,920		
2. Interest on borrowings	13,992,200		
Total operating costs, funded	15,965,317		
Capital outlay: Agricultural loans and discounts	1,077,528,433		
Total program costs, funded	1,093,493,750		
Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−11,524		
Total program (obligations)	1,093,482,226		
Financing:			
Amounts becoming available: Revenue and receipts:			
Agricultural loans and discounts	1,228,648,057		
Retirement of class A stock investment in production credit associations (net)	190,000		
Interest on loans and discounts	14,283,817		
Interest in U. S. securities	1,286,287		
Assessments from production credit associations	108,255		
Other revenue	5,838		
Total amounts becoming available	1,244,522,254		
Unobligated balance brought forward:			
Cash	12,212,566		
U. S. securities	99,285,700		
Authorization to expend from corporate debt receipts	273,382,000		
Total amounts available	1,629,402,520		
Repayment to the "Federal intermediate credit banks investment fund"	−2,700,000		
Unobligated balance no longer available (assumed by merged corporation, 70 Stat. 659-68)	−409,742,000		
Unobligated balance carried forward (transferred to trust transactions, 70 Stat. 659-68):			
Cash	−24,152,594		
U. S. securities	−99,325,700		
Financing applied to program	1,093,482,226		

The production credit corporations were merged in the Federal intermediate credit banks as of January 1, 1957, pursuant to the Farm Credit Act of 1956 (70 Stat. 659). The act also provided for transfer to the banks of all of the corporations' assets and liabilities, except their investments in production credit associations which were transferred to Farm Credit Administration. Provision is made for retirement of the banks' Government capital and for eventual ownership by the production credit associations.

Budget program.—The Federal intermediate credit banks will continue their agricultural loan and discount activities, and will provide the production credit associations with necessary supervision and services, a function formerly performed by the production credit corporations.

Operations for the first half of 1957 result in budget transactions; operations for the last half of 1957, all of 1958, and the first half of 1959 (as mixed-ownership corporations) will result in trust transactions; and operations for the last half of 1959 will result in trust deposit transactions. The makeup of the Government equity at the time of the change is shown in the statement of financial condition.

The banks discount agricultural loans for and lend funds to production credit associations and other financing institutions, and supervise the associations.

Administrative supervision of the 497 production credit associations covers all phases of their lending activities including an annual credit examination of loans, and provides for review and advisory service relating to business management.

Operating costs.—Administrative expenses were $1,624,295 for the first 6 months of 1957. These expenses were paid from corporate funds and were subject to limitation. The amount set forth above does not include expenses estimated at $32,495 for the first half of 1957, which were not recorded as expenditures on the books until the last half of 1957. In addition, the supervisory costs assessed by the Farm Credit Administration were $293,965; these costs were paid from corporate funds but were not included as administrative expenses of the banks subject to limitation.

Operating costs included $13,992,200 interest paid or accrued on collateral trust debentures and notes payable to commercial banks and others.

Capital outlay.—The banks discounted agricultural loans for and lent funds to production credit associations and other financial institutions in the amount of $1,077,528,433 during the first half of 1957.

Financing.—The banks financed their lending operations principally through the sale of their consolidated collateral trust debentures in the investment markets, and by other borrowings. The United States assumes no liability for the debentures or other such borrowings. During the first 6 months of 1957 the banks issued $519,450 of debentures and borrowed $105,175,000 from commercial banks. No credit bank may have outstanding borrowings in an amount exceeding 10 times its surplus and paid-in capital.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1956, $44,019; 1957, $32,495.

Sources and Application of Funds (Operations)

	July 1 to Dec. 31, 1956, actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Agricultural financing program:			
Acquisition of agricultural loans and discounts	$1,077,528,433		
Investment in class A stock of production credit associations	250,000		
Expense	15,918,705		
Franchise tax to Treasury	47,937		
Transferred to merged corporation (70 Stat. 659):			
Cash with Treasury and in banks	23,702,113		
Investment in U. S. securities	99,325,700		
Selected working capital	482,976		
Increase in selected working capital	505,673		
Total gross expenditures	1,217,761,537		
Receipts from operations (funds provided):			
Agricultural financing program:			
Repayment of agricultural loans and discounts	1,228,648,057		
Retirement of class A stock investment in production credit associations	440,000		
Other (expense adjustment)	1,325		
Revenue	15,684,197		
Total receipts from operations	1,244,773,579		
Budget expenditures	−27,012,042		

Revenue, Expense, and Retained Earnings

Agricultural financing program:			
Revenue	$15,684,197		
Expense	15,909,848		
Net operating income or loss (−)	−225,651		
Nonoperating loss (−) (net loss (−) from sale of U. S. securities)	−7,532		
Net income for the period	−233,183		
Analysis of retained earnings:			
Retained earnings, beginning of year	63,347,824		
Franchise tax	−47,937		
Retained earnings, Dec., 31, 1956	63,066,704		

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FARM CREDIT ADMINISTRATION—Continued

Public enterprise funds—Continued

OPERATING FUND, FEDERAL INTERMEDIATE CREDIT BANKS—Con.

Financial Condition

	July 1 to Dec. 31, 1956, actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury and in banks	$23,702,113		
U. S. securities (par)	99,325,700		
Accounts receivable, net	13,405,507		
Agricultural loans and discounts	747,595,915		
Class A stock of production credit associations	1,830,000		
Total assets	885,859,235		
Liabilities:			
Current liabilities	12,922,531		
Debentures and notes payable	720,635,000		
Total liabilities	733,557,531		
Government investment:			
Non-interest-bearing capital:			
Start of year	91,935,000		
Paid-in surplus during year	950,000		
Repayments during year	3,650,000		
End of year	89,235,000		
Retained earnings	63,066,704		
Total Government investment	152,301,704		

Trust funds:

OPERATING FUND, FEDERAL INTERMEDIATE CREDIT BANKS

Program and Financing

	Jan. 1 to June 30, 1957, actual	1958 estimate	July 1 to Dec. 31, 1958, estimate
Program by activities:			
Operating costs:			
1. Agricultural financing program:			
(a) Administrative expenses	$1,605,138	$3,375,000	$1,693,000
(b) Farm Credit Administration assessment	344,211	619,700	309,800
(c) Franchise tax	80,086	381,100	
(d) Other	450		
(e) Patronage refunds not distributed	1,833		
(f) Cost adjustment	−1,401	−1,500	
2. Interest on borrowings	15,641,954	38,122,000	21,298,000
Total operating costs, funded	17,672,271	42,496,300	23,300,800
Capital outlay:			
1. Agricultural loans and discounts	1,208,963,443	2,364,849,000	1,172,239,000
2. Borrowings from public (net)			181,970,000
Total capital outlay	1,208,963,443	2,364,849,000	1,354,209,000
Total program costs, funded	1,226,635,714	2,407,345,300	1,377,509,800
Relation of costs to obligations: Obligations incurred for costs of other years, net (unpaid undelivered orders)	7,102	403	
Total program (obligation)	1,226,642,816	2,407,345,703	1,377,509,800
Financing:			
Amounts becoming available: Revenues and receipts:			
Agricultural loans and discounts	957,559,473	2,273,495,000	1,367,354,000
Retirement of class A stock investment in production credit associations (net)	1,830,000		
Issuance of class B stock to production credit associations	4,371,510	4,370,680	
Borrowings from public (net)	237,860,000	90,650,000	
Interest on loans and discounts	16,760,115	41,478,000	23,044,000
Interest on U. S. securities	1,249,720	2,550,000	1,289,000
Assessments from production credit associations	2,262	110,300	111,700
Other revenue	5,380	9,600	5,300
Total amounts becoming available	1,219,638,460	2,412,663,580	1,391,804,000
Unobligated balance brought forward (transferred from budget transactions, 70 Stat. 659–68):			
Cash	24,152,594	10,812,108	11,347,905
U. S. securities	99,325,700	99,330,700	99,480,700
Total amounts available	1,343,116,754	2,522,806,388	1,502,632,605
Return of capital to Treasury (−)	−8,373,510	−8,379,280	

Program and Financing—Continued

	Jan. 1 to June 30, 1957, actual	1958 estimate	July 1 to Dec. 31, 1958, estimate
Financing—Continued			
Transfer of production credit associations stock to Governor of Farm Credit Administration (−)	−$1,830,000		
Stock called for retirement based on class B stock and participation certificates issued (−)	−129,620	−$261,400	
Unobligated balance no longer available (transferred to deposit funds of Treasury, 70 Stat. 659–68):			
Cash			−$25,517,105
U. S. securities			−99,605,700
Unobligated balance carried forward:			
Cash	−10,812,108	−11,347,905	
U. S. securities	−99,330,700	−99,480,700	
Financing applied to program	1,226,642,816	2,407,345,703	1,377,509,800

Budget program.—The Federal intermediate credit banks will continue their agricultural loan and discount activities, and will provide the production credit associations with necessary supervision and services, a function formerly performed by the production credit corporations.

Operating costs.—Administrative expenses are estimated at $1,693,000 for the first 6 months of 1959, and $3,375,000 for 1958; actual expenses for the last half of 1957 were $1,605,138. These expenses are paid from corporate funds and are subject to limitation until January 1, 1959. The amount set forth above does not include unrecorded expenses of $39,597 at June 30, 1957, which were not recorded as expenditures on the books until 1958. It is estimated that such expenses will be $40,000 at June 30, 1958, and $40,000 at December 31, 1958. In addition, the supervisory costs assessed by the Farm Credit Administration are estimated at $309,800 for the first half of 1959 and $619,700 for 1958, and were $344,211 for the last half of 1957; these costs are paid from corporate funds but are not included as administrative expenses of the banks subject to limitation.

Operating costs include interest paid or accrued on collateral trust debentures and notes payable to commercial banks and others, estimated at $21,298,000 for the first 6 months of 1959 and $38,122,000 for all of 1958; these costs were $15,641,954 during the last half of 1957.

Capital outlay.—It is estimated that the banks will discount agricultural loans for and lend funds to production credit associations and other financial institutions in the amount of $1,172,239,000 during the first 6 months of 1959 and $2,364,849,000 during 1958. Loans and discounts during the last half of 1957 were $1,208,963,443.

Financing.—The banks finance their lending operations principally through the sale of consolidated collateral trust debentures in the investment markets, and by other borrowings. The United States assumes no liability for the debentures or other such borrowings. It is estimated that the banks will issue $612,300,000 of debentures and will borrow $137,700,000 from commercial banks during the first 6 months of 1959 and will issue $1,370,600,000 of debentures and will borrow $310,750,000 from commercial banks during the entire year 1958. During the last 6 months of 1957 the banks issued $690,750,000 of debentures and borrowed $189,000,000 from commercial banks. No credit bank may have outstanding borrowings in an amount exceeding 10 times its surplus and paid-in capital.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1956, $32,495; 1957, $39,597; 1958, $40,000; 1959, $40,000.

Operating results and financial condition.—Net income of $1,149,200 is estimated for the first half of 1959. This

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amount will be retained in undistributed earnings until the end of the fiscal year, at which time the earnings for the entire year will be distributed in accordance with section 206 (a) of the Farm Credit Act of 1956 by transfer to the reserve account, payment to Treasury as franchise tax, and payment to the associations and other financial institutions as patronage refunds.

By January 1, 1959, it is estimated that the Government-owned capital will be reduced from $87,405,000 (at the time of the merger) to $78,271,790. The net worth position of the system will not be decreased as private capital interest will be increased during the period by $10,124,015, consisting of $8,742,190 acquired by the production credit associations by cash subscriptions required by the act and $1,381,825 acquired by the associations and other financing institutions as patronage refunds. It is estimated that retained earnings which remain with the operating fund will amount to $64,830,885 at December 31, 1958.

Net cash transactions will be transferred from this fund into a deposit fund of Treasury on Jan. 1, 1959.

Sources and Application of Funds (Operations)

	Jan. 1 to June 30, 1957, actual	1958 estimate	July 1 to Dec. 31, 1958, estimate
Gross expenditures (funds applied):			
Agricultural financing program:			
Acquisition of agricultural loans and discounts	$1,208,963,443	$2,364,849,000	$1,172,239,000
Expense	17,591,753	42,116,700	23,300,800
Franchise tax to Treasury	80,086	381,100	
Other	1,833		
Return of capital to Treasury	4,371,510	4,370,680	
Transfer of stock to Governor of Farm Credit Administration	1,830,000		
Stock called for retirement based on class B stock for participation certificates issued	129,620	261,400	
Increase in selected working capital		755,000	1,298,000
Total gross expenditures	1,232,968,245	2,412,733,880	1,196,837,800
Receipts from operations (funds provided):			
Agricultural financing program:			
Repayment of agricultural loans and discounts	957,559,473	2,273,495,000	1,367,354,000
Retirement of class A stock investment in production credit associations	1,830,000		
Other (expense adjustment)	1,401	1,500	
Revenue	18,017,477	44,147,900	24,450,000
Issuance of class B stock to production credit associations	4,371,510	4,370,680	
Transferred from merged corporation (70 Stat. 659):			
Cash with Treasury and in banks	23,702,113		
Investment in U. S. securities	99,325,700		
Selected working capital	482,976		
Decrease in selected working capital	682,668		
Total receipts from operations	1,105,973,318	2,322,015,080	1,391,804,000
Trust expenditures	126,994,927	90,718,800	−194,966,200

Revenue, Expense, and Retained Earnings

Agricultural financing program:			
Revenue	$18,017,477	$44,147,900	$24,450,000
Expense	17,590,352	42,115,200	23,300,800
Net income for period	427,125	2,032,700	1,149,200
Analysis of retained earnings:			
Retained earnings, beginning of period	63,066,704	63,173,485	63,681,685
Franchise tax	−80,086	−381,100	
Patronage refunds (paid by issuance of class B stock):			
Not affecting costs	−238,425	−1,143,400	
Affecting costs	−1,833		
Retained earnings, end of period	63,173,485	63,681,685	64,830,885

Financial Condition

Assets:			
Cash with Treasury and in banks	$11,534,373	$11,315,573	$24,186,773
U. S. securities (par)	99,330,700	99,480,700	99,605,700
Accounts receivable, net	15,604,993	18,022,993	16,377,993
Agricultural loans and discounts	998,999,885	1,090,353,885	895,238,885
Total assets	1,125,469,951	1,219,172,151	1,035,409,351

Financial Condition—Continued

	Jan. 1 to June 30, 1957, actual	1958 estimate	July 1 to Dec. 31, 1958, estimate
Liabilities:			
Current liabilities	$16,287,661	$17,950,661	$15,007,661
Debentures and notes payable	958,495,000	1,049,145,000	867,175,000
Total liabilities	974,782,661	1,067,095,661	882,182,661
Private investment:			
Start of year		4,609,935	10,124,015
Capital stock (class B), production credit associations	4,588,245	5,418,680	
Participation certificates, other financing institutions	21,690	95,400	
End of period	4,609,935	10,124,015	10,124,015
Government investment:			
Non-interest-bearing capital:			
Start of year	89,235,000	82,903,870	78,271,790
Return of capital to Treasury	−4,371,510	−4,370,680	
Transfer of stock of production credit associations to Governor of Farm Credit Administration	−1,830,000		
Stock called for retirement, based on class B stock and participation certificates issued	−129,620	−261,400	
End of year	82,903,870	78,271,790	78,271,790
Retained earnings	63,173,485	63,681,685	64,830,885
Total investments and retained earnings	150,687,290	152,077,490	153,226,690

Status of Certain Fund Balances

	1956 actual	Dec. 31, 1956, actual	June 30, 1957, actual	1958 estimate	Dec. 31, 1958, estimate
Unexpended balance:					
Cash and U. S. securities	$112,047,958	$123,027,813	$110,865,073	$110,796,273	$123,792,473
Budget authorization	273,382,000				
Total unexpended balances	385,429,958	123,027,813	110,865,073	110,796,273	123,792,473
Obligated balance, net:					
Current liabilities	11,801,066	12,922,531	16,287,661	17,950,661	15,007,661
Obligations other than liabilities	44,019	[1] 32,495	39,597	40,000	40,000
Accounts receivable, net (−)	−11,295,393	−13,405,507	−15,604,993	−18,022,993	−16,377,993
Total obligated balance	549,692	−450,481	722,265	−32,332	−1,330,332
Unobligated balance	384,880,266	123,478,294	110,142,808	110,828,605	125,122,805

[1] Estimated.

Limitation on Administrative Expenses, Federal Intermediate Credit Banks

Not to exceed [$3,375,000] *$1,693,000* (to be computed on an accrual basis) of the funds of the banks shall be available for administrative expenses *for the six months ending December 31, 1958*, including the purchase of not to exceed [six] *one* passenger motor [vehicles] *vehicle* for replacement only and services performed for the banks by other Government agencies (except services and facilities furnished and examinations made by the Farm Credit Administration, and services performed by any Federal Reserve bank and by the United States Treasury in connection with the financial transactions of the banks); and said total sum shall be exclusive of interest expense, legal and special services performed on a contract or fee basis, and expenses in connection with the acquisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the banks or in which they have an interest. (*12 U. S. C. 1021; 70 Stat. 667; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	July 1 to Dec. 31, 1958, estimate
Program by activities:			
Discounting agricultural loans for and lending funds to production credit associations and other financing institutions, and supervising production credit associations (total administrative expenses)	$3,229,433	$3,375,000	$1,693,000
Financing:			
Unobligated balance no longer available	346,567		
Limitation	3,576,000	3,375,000	1,693,000

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FARM CREDIT ADMINISTRATION—Continued

Trust funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL INTERMEDIATE CREDIT BANKS—Continued

Object Classification

		1957 actual	1958 estimate	July 1 to Dec. 31, 1958, estimate
	Total number of permanent positions	505	396	395
	Full-time equivalent of all other positions	11	12	6
	Average number of all employees	391	383	192
	Number of employees at end of year	382	383	383
	Average salary ranges established by Board of Directors	$6,087	$6,047	$5,986
01	Personal services:			
	Permanent positions	$2,220,240	$2,200,884	$1,119,759
	Positions other than permanent	65,585	67,236	30,991
	Other personal services	53,641	14,680	2,450
	Other payments for personal services: Directors' compensation	61,884	59,200	30,400
	Total personal services	2,401,350	2,342,000	1,183,600
02	Travel	234,768	278,300	140,300
04	Communication services	49,757	55,600	27,700
05	Rents and utility services	194,087	182,100	91,000
06	Printing and reproduction	29,214	36,600	16,900
07	Other contractual services	81,404	96,600	44,400
	General agents' expense	165,118	179,000	89,200
	General Accounting Office audit expense	3,592	9,600	4,800
08	Supplies and materials	24,843	28,600	14,200
09	Equipment	43,539	18,900	5,900
11	Grants, subsidies, and contributions		145,500	74,000
15	Taxes and assessments	1,761	2,200	1,000
	Total obligations	3,229,433	3,375,000	1,693,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation "Mutual security," funds appropriated to the President.

MIXED-OWNERSHIP CORPORATIONS

BANKS FOR COOPERATIVES

The banks for cooperatives make loans to finance the operations of farmers' cooperatives. The banks' capital funds are from the Agricultural Marketing Act Revolving Fund and from borrowing farmers' cooperative associations (12 U. S. C. 1134). The Farm Credit Act of 1955 provides for eventual ownership of the banks by farmers' cooperatives and the retirement of the U. S. Government investment.

COMBINED STATEMENT OF CONDITION, JUNE 30, 1957

Assets:			
Cash			$20,510,471
U. S. securities (par $44,263,000)			44,408,857
Loans to cooperative associations		$384,325,833	
Less allowance for losses		3,225,700	
			381,100,133
Other assets		15,245,003	
Less allowance for losses		953,542	
			14,291,461
Total assets			460,310,922
Liabilities and capital:			
Unmatured debentures outstanding			178,820,000
Matured debentures—principal and interest			78,853
Notes payable—Federal intermediate credit banks			2,500,000
Notes payable—other			11,125,000
Dividends payable on class B capital stock and guaranty fund			415,135
Federal franchise tax payable			1,317,482
Due U. S. Government—redemption of class A capital stock			5,641,300
Other liabilities			2,402,270
Capital: Privately owned capital:			
Capital stock:			
Class B	$15,339,393		
Class C	8,703,326		
Other	1,229,694		
		$25,272,413	
Earned surplus:			
Surplus—reserved	5,773,046		
Surplus allocated to patrons	2,955,071		
		8,728,117	
			34,000,530
Government investment:			
Class A capital stock		141,672,200	
Surplus—reserved		82,338,152	
			224,010,352
Total			460,310,922

FEDERAL CIVIL DEFENSE ADMINISTRATION

This Administration prepares national civil defense plans as an integral part of the total program for defense of the United States against enemy attack. The Administration provides guidance to States and/or their political subdivisions, maintains operational capability, including attack warning and communications systems, makes financial contributions to States and political subdivisions for civil defense purposes, and maintains stockpiles of medical, engineering, and radiological defense equipment and supplies.

For 1959, major civil defense effort will be devoted to developing an effective radiological defense, and to programs for strengthening the capacity of Government at all levels to survive and operate in an emergency.

Current authorizations:

OPERATIONS

[Operations:] For necessary expenses, not otherwise provided for, in carrying out the provisions of the Federal Civil Defense Act of 1950, as amended (50 U. S. C., App. 2251–2297), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); reimbursement of the Civil Service Commission for full field investigations of employees occupying positions of critical importance from the standpoint of national security; expenses of attendance at meetings concerned with civil defense functions; reimbursement of the General Services Administration for security guard services; not to exceed [$6,000] *$10,000* for the purchase of newspapers, periodicals, and teletype news services; not to exceed [$750,000] *$920,000* for expenses of travel and not to exceed $6,000 for emergency and extraordinary expenses to be expended under the direction of the Administrator for such purposes as he deems proper, and his determination thereon shall be final and conclusive; [$17,000,000] *$19,400,000*. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$17,000,000** Estimate 1959, **$19,400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$419,019	$495,900	$513,000
2. Planning and intelligence	256,518	284,100	308,000
3. Research and development	1,055,876	1,025,000	1,263,000
4. Warning and operations plans	3,048,011	4,528,100	5,202,000
5. Resources and requirements	205,539	331,000	485,000
6. Education and training	2,806,473	2,513,300	2,700,000
7. Specialized liaison	195,098	198,100	200,000
8. General administration and stockpile operations	2,269,422	3,522,500	3,765,000
9. Field operations	2,621,274	3,972,000	4,964,000
Total obligations	12,877,230	16,870,000	19,400,000
Financing:			
Comparative transfers to other accounts	2,333,266	130,000	
Unobligated balance no longer available	349,504		
Appropriation (new obligational authority)	15,560,000	17,000,000	19,400,000

2. *Planning and intelligence.*—Planning assumptions are developed which reflect the capability of enemy weapons technology, and the likelihood and probable means of attack. Intelligence on modern weapons and enemy capability is obtained from Federal security agencies and evaluated for its implications in the development of long-range plans, and representation is provided on national security planning groups.

3. *Research and development.*—Important areas to be covered in 1959 include: Warning and communications; radiological defense; shelter design and testing; health and medical; and damage assessment. The research program is primarily carried out through contracts with other Federal agencies, universities, and industry. The program is administered under this appropriation; the

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actual research contracts are financed under the "Research and development" appropriation.

4. *Warning and operations plans.*—A nationwide attack warning system extending from Air Force control centers to State and local control points is provided. The survival planning program is administered and operational plans are developed. Operational functions which should be delegated to other Federal agencies are identified, and the overall delegation program is coordinated. Natural disaster assistance is coordinated. As a result of a program begun in 1958 and planned for completion in 1959, the Federal Government will install and operate an attack warning system for the Washington, D. C., area. Funds are provided in 1959 for extending the attack warning system to additional key-target areas and to a nationwide network of radio stations, and for the procurement of equipment for rapid computation of warning times. Funds are also provided in 1959 for installation of an emergency radio network connecting the regional offices and national headquarters; and the installation of cryptographic facilities in regional offices.

5. *Resources and requirements.*—Operational plans are developed to manage post-attack resources including manpower, food, water, medicine, transportation, communications and essential physical facilities. Plans are designed to insure that essential civilian requirements are met, physical facilities essential to the basic economy are reestablished, and the facilities and resources of Federal agencies, national relief organizations, and State and local governments are properly utilized.

6. *Education and training.*—Training methods, materials, and devices are developed and made available to State and local organizations. Information on weapon effects, and preventive measures that may be taken for survival are provided to the general public. Instructional and informational material covers such subjects as protection against fallout, conelrad, rumor and panic, mutual aid, shelter, emergency action, first aid, and police and fire training, all designed to provide the necessary knowledge for survival in the event of nuclear attack. In 1959, the Administration will expand the training program and will stress emergency planning by local, State, and Federal government, especially in the area of radiological defense. To accommodate the increased student load two new training schools will be opened in 1959 to be located near large population centers. About 15,500 people have completed one or more basic civil defense courses. An additional 1,700 persons will be trained in 1959.

7. *Specialized liaison.*—Educational and promotional activities are carried out with industry, labor, religious, and women's groups.

8. *General administration and stockpile operations.*—In addition to centralized administrative services, this activity also finances stockpile management. Determination of items to be stockpiled is made by other units within FCDA; costs of stockpile items are financed under the "Emergency supplies and equipment" appropriation; and the warehouses are operated by other Federal agencies.

9. *Field operations.*—Civil defense plans are made available to the States and localities through the seven regional offices. Close working relationships are developed with State and local officials. Field staff will be further strengthened in 1959 to provide greater assistance to States and localities, particularly in the area of radiological defense.

Object Classification

	1957 actual	1958 estimate	1959 estimate
FEDERAL CIVIL DEFENSE ADMINISTRATION			
Total number of permanent positions	1,141	1,389	1,575
Full-time equivalent of all other positions	15	16	22
Average number of all employees	1,133	1,296	1,487
Number of employees at end of year	1,191	1,464	1,631
Average GS grade and salary	9.1 $6,636	9.5 $6,641	9.5 $6,688
01 Personal services:			
Permanent positions	$7,175,837	$8,335,108	$9,808,940
Positions other than permanent	102,003	116,035	153,000
Other personal services	86,626	141,473	154,627
Total personal services	7,364,466	8,592,616	10,116,567
02 Travel	679,764	701,750	920,000
03 Transportation of things	147,719	142,810	150,666
04 Communication services	1,734,919	2,785,714	3,134,761
05 Rents and utility services	92,424	182,291	195,469
06 Printing and reproduction	937,619	593,418	712,095
07 Other contractual services	835,934	1,938,553	1,779,328
Services performed by other agencies	270,810		
08 Supplies and materials	214,049	327,990	374,571
09 Equipment	323,519	621,474	1,180,953
11 Grants, subsidies, and contributions		440,531	547,052
12 Pensions, annuities, and insurance claims	21,955	26,652	31,551
13 Refunds, awards, and indemnities		1,184	
15 Taxes and assessments	22,614	25,017	32,987
Unvouchered	6,000	6,000	6,000
Total, Federal Civil Defense Administration	12,651,792	16,386,000	19,182,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	17	37	17
Average number of all employees	15	35	17
Number of employees at end of year	17	37	17
Average GS grade and salary	14.6 $11,466	12.0 $8,684	14.8 $11,660
01 Personal services:			
Permanent positions	$177,322	$313,680	$200,000
Positions other than permanent			
Other personal services		12,030	
Total personal services	177,322	325,710	200,000
02 Travel	2,129	32,750	2,000
03 Transportation of things	4,825	3,750	2,400
04 Communication services		300	100
05 Rents and utility services		10,000	
06 Printing and reproduction	15	1,000	
07 Other contractual services	39,848	82,990	
08 Supplies and materials		5,500	
11 Grants, subsidies, and contributions		20,500	12,000
13 Refunds, awards, and indemnities			
15 Taxes and assessments	1,299	1,500	1,500
Total, allocation accounts	225,438	484,000	218,000
Total obligations	12,877,230	16,870,000	19,400,000
Obligations are distributed as follows:			
Federal Civil Defense Administration	$12,651,792	$16,386,000	$19,182,000
Atomic Energy Commission	33,000		
Department of Health, Education, and Welfare, Public Health Service	185,775	200,000	218,000
Department of Commerce, Weather Bureau		284,000	
General Services Administration	6,663		

Emergency Supplies and Equipment

[Emergency supplies and equipment:] For expenses necessary for warehousing and maintenance [of reserve stocks] of emergency civil defense materials as authorized by subsection (h) of section 201 of the Federal Civil Defense Act of 1950, as amended, [$3,300,000] *$18,000,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$3,300,000** Estimate 1959, **$18,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Medical supplies and equipment:			
(a) Emergency hospitals	$20,325,606		
(b) Medical and surgical	12,690,624		
(c) Blood and shock therapy	7,477,541		
(d) Other	67,016		
Total medical supplies and equipment	40,560,787		

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FEDERAL CIVIL DEFENSE ADMINISTRATION—Con.

Current authorizations—Continued

EMERGENCY SUPPLIES AND EQUIPMENT—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Radiological and chemical warfare defense equipment	$4,325,825		
3. Warehousing and maintenance of stockpile	2,860,694	$3,300,000	$18,000,000
Total obligations	47,747,306	3,300,000	18,000,000
Financing:			
Comparative transfers from (−) other accounts	−2,333,266		
Unobligated balance no longer available	1,585,960		
Appropriation (new obligational authority)	47,000,000	3,300,000	18,000,000

Material and equipment not normally available, or not present in quantities needed to cope with conditions caused by enemy attack, are stockpiled in strategic locations. These supplies and equipment are stored under the following criteria: (1) Minor storage locations of approximately 10,000 to 15,000 square feet are used for pre-positioning hospitals, medical supplies, and radiological instruments; (2) major storage locations of approximately 50,000 square feet are used in support of one or more target areas; and (3) general reserve storage locations of from 100,000 to 500,000 square feet are used in support of wide geographical regions. Government-owned and controlled installations are used where possible.

Through 1958, approximately $219 million of supplies and equipment had been stockpiled in 43 warehouses.

During 1959, procurement of new items for the stockpile will be suspended pending the development of an integrated resource plan covering all essential civilian survival needs. Activities under this program will be directed primarily toward the reprocessing of overage blood plasma procured in prior years and an accelerated program to pre-position emergency hospitals procured through 1957.

Object Classification

	1957 actual	1958 estimate	1959 estimate
FEDERAL CIVIL DEFENSE ADMINISTRATION			
07 Other contractual services	$2,369,497	$397,460	$14,559,000
Services performed by other agencies	3,032,292	2,635,540	2,925,000
08 Supplies and materials	19,023,383	33,000	150,000
09 Equipment	23,022,688		
Total, Federal Civil Defense Administration	47,447,860	3,066,000	17,634,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	36	45	45
Full-time equivalent of all other positions			30
Average number of all employees	36	44	44
Number of employees at end of year	36	44	44
Average GS grade and salary	4.1 $3,966	4.1 $3,966	4.1 $3,966
01 Personal services:			
Permanent positions	$153,461	$188,675	$188,675
Positions other than permanent			119,000
Other personal services		725	725
Total personal services	153,461	189,400	308,400
02 Travel	46		
04 Communication services	341	350	400
05 Rents and utility services	10,560	10,560	14,000
07 Other contractual services	19,700	20,000	25,733
08 Supplies and materials	115,338	1,800	2,400
11 Grants, subsidies, and contributions		11,890	12,390
15 Taxes and assessments			2,677
Total, allocation accounts	299,446	234,000	366,000
Total obligations	47,747,306	3,300,000	18,000,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Obligations are distributed as follows:			
Federal Civil Defense Administration	$47,447,860	$3,066,000	$17,634,000
Veterans Administration	288,188	234,000	366,000
Department of the Army	11,258		

RESEARCH AND DEVELOPMENT

[Surveys, plans, and research:] For expenses, not otherwise provided for, necessary for studies and research to develop measures and plans for evacuation, shelter, and the protection of life and property, as authorized by section 201 (d) of the Federal Civil Defense Act of 1950, as amended, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), [$2,000,000] *$4,400,000,* to remain available until expended. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$2,000,000** Estimate 1959, **$4,400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Survival planning	$5,767,241	$5,121,720	
2. Research:			
(*a*) Warning and communications	105,558	856,000	$1,100,000
(*b*) Radiological defense	145,000	730,000	1,160,000
(*c*) Engineering and nuclear testing	2,147,219	1,685,147	2,575,000
(*d*) Health and medical	20,000	500,000	575,000
(*e*) Damage assessment	301,500	500,000	300,000
(*f*) Other	110,458	150,000	190,000
Total obligations	8,596,976	9,542,867	5,900,000
Financing:			
Advances and reimbursements from other accounts	−711,000		
Unobligated balance brought forward	−6,928,843	−9,042,867	−1,500,000
Unobligated balance carried forward	9,042,867	1,500,000	
Appropriation (new obligational authority)	10,000,000	2,000,000	4,400,000

1. *Survival planning.*—The program of studies leading to survival plans for States and metropolitan areas will be completed in 1958. Plans are being developed for 45 States, including the principal metropolitan areas.

2. *Research.*—This activity provides for increased research and development of civil defense systems and equipment through contracts with other Federal agencies, universities, industry, and other private institutions.

(*a*) *Warning and communications.*—This covers research and development in civil defense warning and communications equipment including voice sound systems, home warning devices, and low frequency radio transmission.

(*b*) *Radiological defense.*—The objective of this program is the development of a national radiological defense system which would include prediction, monitoring, shelter, countermeasures, reclamation procedures and decontamination.

(*c*) *Engineering and nuclear testing.*—This program provides for development of shelter designs for blast and fallout protection and the field testing of prototype shelters.

(*d*) *Health and medical.*—Research in health and medical problems such as mass immunization techniques, decontamination and protection of food and water supplies, blast biology studies, and shelter habitability studies is carried out.

(*e*) *Damage assessment.*—This provides for participation in national bomb damage assessment system.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
FEDERAL CIVIL DEFENSE ADMINISTRATION RESEARCH AND DEVELOPMENT			
07 Other contractual services	$6,228,924	$8,368,721	$4,150,000
Services performed by other agencies	915,598	1,000,000	500,000
Total, Federal Civil Defense Administration	7,144,522	9,368,721	4,650,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	7		
Average number of all employees	2		
Number of employees at end of year	0		
Average GS grade and salary	7.5 $5,255		
Average salary of ungraded positions	$3,990		
01 Personal services:			
Permanent positions	$11,120		
Other personal services	531		
Total personal services	11,651		
02 Travel	994		
07 Other contractual services	1,427,010	$174,146	$1,250,000
08 Supplies and materials	12,411		
09 Equipment	388		
Total, allocation accounts	1,452,454	174,146	1,250,000
Total obligations	8,596,976	9,542,867	5,900,000
Obligations are distributed as follows:			
Federal Civil Defense Administration	$7,144,522	$9,368,721	$4,650,000
Department of the Army	5,752	9,248	
Atomic Energy Commission	1,446,702	164,898	1,250,000

Federal Contributions

[Federal contributions: For financial contributions to the States, not otherwise provided for, pursuant to subsection (i) of section 201 of the Federal Civil Defense Act of 1950, as amended, to be equally matched with State funds, $17,000,000, to remain available until June 30, 1959.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$17,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Attack warning	$1,110,928	$1,318,023	$1,800,000
2. Communications	6,303,675	6,515,538	7,000,000
3. Public safety services	441,548	774,882	800,000
4. Medical supplies and equipment	1,680,584	1,977,035	2,000,000
5. Education services	659,115	885,205	1,000,000
6. Mass care equipment	109,832	168,258	300,000
7. Engineering supplies and equipment	504,949	788,908	1,200,000
8. Construction and general equipment	943,503	1,593,678	2,400,000
9. Preservation of vital records			500,000
Total obligations	11,754,134	14,021,527	17,000,000
Financing:			
Unobligated balance brought forward	−8,993,082	−14,021,527	−17,000,000
Unobligated balance carried forward	14,021,527	17,000,000	
Unobligated balance no longer available	217,421		
Appropriation (new obligational authority)	17,000,000	17,000,000	

Civil defense funds of States and their political subdivisions are matched for selected types of civil defense equipment.

During the years 1952 through 1957, Federal obligations under this program amounted to approximately $65 million. All States have participated in the program. Of the total funds administered under the program, approximately 46% have been used to enable States and localities to establish adequate emergency warning and communications systems. Another 23% of these funds have been utilized for the purchase of medical supplies and equipment.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$11,754,134	$14,021,527	$17,000,000

Salaries and Expenses, Civil Defense Functions of Federal Agencies

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Housing and Home Finance Agency	$59,808		
2. Department of Agriculture	257,670		
3. Department of Commerce	368,292		
4. Department of Health, Education, and Welfare	2,021,609		
5. Department of the Interior	49,669		
6. Department of Justice	59,745		
7. Department of Labor	373,984		
Total obligations	3,190,777		
Financing:			
Comparative transfers to other accounts	81,669		
Unobligated balance no longer available	727,554		
Appropriation (new obligational authority)	4,000,000		

Funds to finance the civil defense functions of Federal agencies in 1959 are included within the regular appropriations of the various agencies involved.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	406		
Full-time equivalent of all other positions	25		
Average number of all employees	333		
Number of employees at end of year	351		
Average GS grade and salary	9.9 $7,189		
01 Personal services:			
Permanent positions	$1,891,858		
Positions other than permanent	150,930		
Other personal services	27,369		
Total personal services	2,070,157		
02 Travel	336,105		
03 Transportation of things	24,267		
04 Communication services	20,233		
05 Rents and utility services	11,165		
06 Printing and reproduction	58,708		
07 Other contractual services	332,042		
Services performed by other agencies	79,584		
08 Supplies and materials	115,449		
09 Equipment	135,185		
13 Refunds, awards and indemnities	750		
15 Taxes and assessments	7,132		
Total obligations	3,190,777		
Obligations are distributed as follows:			
Housing and Home Finance Agency	$59,808		
Department of Agriculture	257,670		
Department of Commerce	368,292		
Department of Health, Education, and Welfare	2,021,609		
Department of the Interior	49,669		
Department of Justice	59,745		
Department of Labor	373,984		

No part of any appropriation in this Act shall be available for the construction of warehouses or for the lease of warehouse space in any building which is to be constructed specifically for the use of the Federal Civil Defense Administration. (*Independent Offices Appropriation Act, 1958.*)

Public enterprise funds:

Civil Defense Procurement Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Public safety programs	$256,508	$231,667	$280,850
Medical supplies and equipment program	637,042	420,600	510,000
Total program (costs—obligations)	893,550	652,267	790,850

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FEDERAL CIVIL DEFENSE ADMINISTRATION—Con.

Public enterprise funds—Continued

CIVIL DEFENSE PROCUREMENT FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Reimbursements from:			
Federal contributions appropriation	$480,461	$382,090	$358,132
States	480,460	382,090	358,131
Recovery of prior year obligations	1,353,705		
Total amounts becoming available	2,314,626	764,180	716,263
Unobligated balance brought forward	2,953,141	4,374,217	986,130
Total amounts available	5,267,767	5,138,397	1,702,393
Capital transfer (repayment of principal to Treasury) (−)		−3,500,000	
Unobligated balance carried forward	−4,374,217	−986,130	−911,543
Financing applied to program	893,550	652,267	790,850

This fund finances the procurement of civil defense materials toward which contributions to the States are authorized on a matching fund basis. The fund is reimbursed for purchases from the Federal contributions appropriation and from funds provided by the States (65 Stat. 61).

Funds in the amount of $5 million were appropriated in 1951 to establish the operating principal of this fund. In 1958, $3.5 million of this principal, no longer required for operations, is being returned to the Treasury.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Procurement of civil defense materials	$960,921	$764,180	$716,263
Increase in selected working capital		467,558	21,960
Total gross expenditures	960,921	1,231,738	738,223
Receipts from operations (funds provided):			
Reimbursement from States and from the Federal contributions appropriation	960,921	764,180	716,263
Decrease in selected working capital	734,501		
Total receipts from operations	1,695,422	764,180	716,263
Budget expenditures	−734,501	467,558	21,960

Financial Condition

Assets:			
Cash with Treasury	$4,905,048	$937,490	$915,530
Accounts receivable, net	472,138	562,510	584,470
Total assets	5,377,186	1,500,000	1,500,000
Liabilities:			
Current	377,186		
Government investment:			
Non-interest-bearing capital:			
Start of year	5,000,000	5,000,000	1,500,000
Repayment of principal to Treasury during year (−)		−3,500,000	
End of year (total Government investment)	5,000,000	1,500,000	1,500,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$4,170,547	$4,905,048	$937,490	$915,530
Obligated balance, net:				
Accounts payable	582,088	377,186		
Obligations other than liabilities	2,046,859	625,783	513,870	588,457
Accounts receivable, net (−)	−1,411,541	−472,138	−562,510	−584,470
Total obligated balance	1,217,406	530,831	−48,640	3,987
Unobligated balance	2,953,141	4,374,217	986,130	911,543

Object Classification

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$53,614	$39,137	$47,452
08	Supplies and materials	80,419	58,704	71,176
09	Equipment	759,517	554,426	672,222
	Total obligations	893,550	652,267	790,850

Proposed for later transmission:

CIVIL DEFENSE ASSISTANCE TO STATES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Civil defense assistance to States (total obligations)			$26,000,000
Financing:			
Proposed supplemental appropriation			26,000,000

Under proposed legislation, 1959.—Recommendations for amendment of the Federal Civil Defense Act were transmitted to the last session of the Congress. The proposals were substantially approved by the House of Representatives (H. R. 7576) and are now pending before the Senate. These proposals include a program for Federal matching of State and local civil defense personnel and administrative costs as well as provide for other needed improvements in the overall civil defense effort. A supplemental appropriation of $26 million is anticipated, to be distributed among the various appropriations which will be augmented by the new legislation.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Federal Coal Mine Safety Board of Review, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $70,000. *(30 U. S. C. 475, 477; 66 Stat. 709; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$70,000** Estimate 1959, **$70,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Hearing appeals (total obligations)	$51,065	$70,000	$70,000
Financing:			
Unobligated balance no longer available	18,935		
Appropriation (new obligational authority)	70,000	70,000	70,000

Coal-mine operators, affected by orders issued by Federal coal-mine inspectors, may appeal to the Board for annulment or revision of, and temporary relief from such orders. Hearings are held, applications determined, and findings and orders of the Board are made public.

During 1957, the Board heard and determined 3 cases requiring 7 days of hearings. It is estimated that there will be approximately 100 to 125 orders subject to appeal to the Board in 1958 and 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6	5	5
Full-time equivalent of all other positions	1	1	1

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Object Classification—Continued

	1957 actual		1958 estimate		1959 estimate	
Average number of all employees	6		6		6	
Number of employees at end of year	7		8		8	
Average GS grade and salary	10.0	$7,567	10.2	$7,830	10.2	$7,992
01 Personal services:						
Permanent positions	$39,384		$38,906		$39,540	
Positions other than permanent	6,450		17,300		17,300	
Other personal services	10		180		183	
Total personal services	45,844		56,386		57,023	
02 Travel	2,879		7,000		7,000	
03 Transportation of things			15		15	
04 Communication services	907		1,300		1,100	
05 Rents and utility services			200		100	
06 Printing and reproduction	332		700		500	
07 Other contractual services	396		850		750	
08 Supplies and materials	416		699		612	
09 Equipment	291		300		300	
11 Grants, subsidies, and contributions			2,550		2,600	
Total obligations	51,065		70,000		70,000	

FEDERAL COMMUNICATIONS COMMISSION

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For necessary expenses in performing the duties of the Commission as authorized by law, including newspapers (not to exceed [$175] *$200*), land and structures (not to exceed [$68,200] *$120,000*), special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed [$18,500] *$15,400*), services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), *purchase of not to exceed three passenger motor vehicles, for replacement only*, and not to exceed [$112,900] *$107,470* for expenses of travel, [$8,300,000] *$8,950,000*. (*Communications Act of 1934, as amended; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$8,300,000** Estimate 1959, **$8,950,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Applied technical research and frequency allocation	$551,558	$614,756	$657,339
2. Broadcast	1,561,073	1,638,373	1,730,463
3. Safety and special radio services	837,770	889,966	992,437
4. Field engineering and monitoring	2,457,924	2,576,853	2,870,139
5. Common carrier	885,591	961,290	1,028,968
6. Executive, staff, and service	1,531,328	1,618,762	1,670,654
Total obligations	7,825,244	8,300,000	8,950,000
Financing:			
Unobligated balance no longer available	2,756		
Appropriation (new obligational authority)	7,828,000	8,300,000	8,950,000

The Federal Communications Commission regulates wire and radio communications in interstate and foreign commerce, including the rates and services of communications common carriers. A basic Commission objective is to achieve maximum benefits to the public from the use of the radio spectrum. Increases proposed for 1959 are primarily to handle workload resulting from expanding use of radio and television and technical advances in communications.

1. *Applied technical research and frequency allocation.*—This activity provides the Commission with the basic information for determining the best utilization of the radio spectrum.

2. *Broadcast activities.*—Standard broadcast (AM), frequency modulation (FM), Television (TV), and other related services are licensed and regulated by the Commission. Pertinent data are shown in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Stations regulated [1]	4,352	4,647	4,915	5,233
Applications disposed of for new stations or major change of facilities:				
AM	532	605	566	670
FM	124	153	200	240
TV	266	425	415	465

[1] As of June 30 of each year.

3. *Safety and special radio services.*—Aviation, police, marine, amateur, and other nonbroadcast uses of radio are licensed and regulated. Pertinent data follows:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Stations regulated [1]	174,964	215,955	257,170	308,097
License applications received	170,506	186,025	204,601	228,487

[1] As of June 30 of each year—excluding amateur.

4. *Field engineering and monitoring activities.*—Field employees inspect radio stations, give operator examinations, collect engineering data, monitor the spectrum, and determine the location of lost ships, aircraft, and illegal sources of radio emission.

5. *Common carrier activities.*—The Commission regulates the rates and practices of communications common carriers; considers proposed mergers and acquisitions of properties, extensions and reductions in service, construction of facilities, and applications for use of radio in communication services.

6. *Executive, staff, and service activities.*—This activity includes adjudicatory functions of the Commission.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	1,226		1,202		1,249	
Full-time equivalent of all other positions	14		4			
Average number of all employees	1,084		1,106		1,156	
Number of employees at end of year	1,119		1,120		1,170	
Average GS grade and salary	8.1	$6,257	8.2	$6,203	8.2	$6,208
01 Personal services:						
Permanent positions	$6,717,572		$6,921,251		$7,297,689	
Positions other than permanent	114,975		31,226			
Other personal services	86,901		88,880		92,311	
Total personal services	6,919,448		7,041,357		7,390,000	
02 Travel	112,824		99,900		107,470	
03 Transportation of things	24,398		18,700		29,300	
04 Communication services	186,378		189,000		199,400	
05 Rent and utility services	57,186		60,000		62,045	
06 Printing and reproduction	40,487		57,000		53,000	
07 Other contractual services	76,200		76,000		92,600	
Services performed by other agencies	81,396		75,800		94,600	
08 Supplies and materials	156,546		119,500		152,300	
09 Equipment	146,565		105,350		168,285	
10 Land and structures	18,253		36,500		120,000	
11 Grants, subsidies, and contributions			414,793		474,500	
13 Refunds, awards, and indemnities	1,125		1,600		1,600	
15 Taxes and assessments	4,438		4,500		4,900	
Total obligations	7,825,244		8,300,000		8,950,000	

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Control of electronic radiation: Department of Defense	$239,972	$370,000	$434,600
2. Operational research: Department of Defense	152,235	282,810	
3. Technical assistance: International Cooperation Administration	38,099	44,000	45,638
4. Miscellaneous services	8,554	1,508	
Total obligations	438,860	698,318	480,238
Financing:			
Advances and reimbursements from other accounts	438,860	698,318	480,238

Object Classification

Total number of permanent positions	80		100		60	
Average number of all employees	64		97		58	
Number of employees at end of year	78		100		59	
Average GS grade and salary	7.1	$5,163	7.7	$5,400	8.7	$6,616
01 Personal services: Permanent positions	$332,008		$534,981		$383,423	
02 Travel	58,273		58,000		43,100	
03 Transportation of things	6,382		12,200		6,000	

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FEDERAL COMMUNICATIONS COMMISSION—Con.

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
04	Communication services	$12,312	$13,122	$4,600
05	Rent and utility services	59		
07	Other contractual services	13,833	20,540	4,000
08	Supplies and materials	8,899	13,725	2,200
09	Equipment	5,462	17,502	8,000
11	Grants, subsidies, and contributions		24,408	25,115
15	Taxes and assessments	1,632	3,840	3,800
	Total obligations	438,860	698,318	480,238

FEDERAL DEPOSIT INSURANCE CORPORATION

INVESTMENT IN FEDERAL DEPOSIT INSURANCE CORPORATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$3,000,000,000	$3,000,000,000	$3,000,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	3,000,000,000	3,000,000,000	3,000,000,000

The Corporation insures accounts of depositors in insured banks up to $10,000. As of June 30, 1957, the deposit insurance fund for the protection of depositors amounted to $1.8 billion or 1.51% of all insured deposits, which amounted to approximately $118.9 billion on that date. No tax funds are used in its operations. Its expenses are paid and the fund is accumulated from assessments paid by insured banks and from income on investments in obligations of the U. S. Treasury. However, the Corporation is authorized to borrow from the Treasury, not to exceed $3 billion outstanding at any one time, as required for insurance purposes. No borrowings under this authorization have been made to date and none are anticipated in 1958 or 1959.

FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank Board formulates policies and supervises the operations of the 11 Federal home loan banks, the system of Federal savings and loan associations and the Federal Savings and Loan Insurance Corporation.

The expenditure programs of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation are presented as business-type budgets. Section 2 of Public Law 895, approved July 3, 1948, provides that all expenses of the Division of Examinations, Federal Home Loan Bank Board shall be considered nonadministrative. All expenses of the Division of Examinations are defrayed from fees charged against and collected from the institutions examined.

The estimated net administrative expenses of the Federal Home Loan Bank Board are paid from assessments against the 11 Federal home loan banks, the Division of Examinations, and the Federal Savings and Loan Insurance Corporation.

Public enterprise funds:

FEDERAL HOME LOAN BANK BOARD REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct costs:			
1. Examination and supervision of Federal home loan banks	$152,200	$180,959	$213,800
2. Supervision of Federal and State-chartered institutions	188,744	250,981	346,445
3. Chartering savings and loan associations	64,233	74,099	88,275
4. Examining savings and loan associations	3,870,619	5,296,565	6,114,854
5. Executive direction and staff services	578,480	697,079	844,780
6. Administrative services	215,636	246,717	334,846
7. Credits allowed on prior year assessments		103,485	
Total direct costs	5,069,912	6,849,885	7,943,000
Relation of costs to obligations:			
Cost financed from obligations of other years, net (−)	−813		
Obligations incurred for costs of other years, net		1,597	1,510
Total direct program (obligations)	5,069,099	6,851,482	7,944,510
Reimbursable costs (obligations):			
4. Examining savings and loan associations	115		
6. Administrative services	71,859	65,000	65,000
Total program (obligations)	5,141,073	6,916,482	8,009,510
Financing:			
Amounts becoming available:			
Examining fees and charges	3,958,769	5,550,888	6,436,224
Assessments for services and facilities	1,032,452	1,250,000	1,600,000
Reimbursements from other accounts	71,974	65,000	65,000
Conservatorship and/or supervisory representative in charge income	43,642		
Other revenue	4,135		
Total amounts becoming available	5,110,972	6,865,888	8,101,224
Unobligated balance brought forward	345,236	315,135	264,541
Total amounts available	5,456,208	7,181,023	8,365,765
Unobligated balance carried forward	−315,135	−264,541	−356,255
Financing applied to program	5,141,073	6,916,482	8,009,510

The three-member Board supervises the Federal home-loan bank system, the system of Federal savings and loan associations and the Federal Savings and Loan Insurance Corporation (12 U. S. C. 1421 et seq., 1461 et seq., and 1464 et seq.). Net administrative expenses of the Federal Home Loan Bank Board are paid from assessments against the 11 Federal home-loan banks, the Division of Examinations, and the Federal Savings and Loan Insurance Corporation.

[Dollars in thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
Number of members	4,469	4,550	4,620
Total assets of members	$44,584,000	$49,800,000	$55,200,000
Savings invested in members	$38,830,000	$43,855,000	$49,050,000
Mortgage loans of members	$36,955,000	$41,250,000	$45,700,000
Insured institutions examined and supervised	3,723	3,850	3,980
Federal home loan bank advances outoutstanding	$1,079,356	$1,200,000	$1,300,000

Budget program.—The Board's budget is based on six activities.

1. *Examination and supervision of Federal home-loan banks.*—The Board supervises and examines the operations of the Federal home-loan banks.

2. *Supervision of Federal and State-chartered institutions.*—The financial condition and operations of each insured institution is analyzed and corrective action is instituted when warranted. Supervision of insured institutions operating under State charter is carried on, cooperatively, under arrangements made with the respective State authorities.

3. *Chartering savings and loan associations.*—Federal savings and loan associations are chartered and regulated. In addition, applications of State-chartered associations

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for conversion into Federal savings and loan associations are examined.

4. *Examining savings and loan associations.*—Supervisory examinations are made of Federal savings and loan associations, State-chartered associations insured by the Federal Savings and Loan Insurance Corporation, and such uninsured member institutions of the Federal home loan bank system as are not examined by State examiners. Audits are also made of over 80% of all insured associations. Examinations are also made of institutions applying for insurance of accounts and for conversion from a State to a Federal charter when required by the Board. The costs of examinations and audits are assessed against the institutions examined.

5. *Executive direction and staff services.*—This includes formulation of basic policy and the furnishing of staff services that are common to the Board and the insurance corporation.

6. *Administrative services.*—These consist of auditing; accounting; budgetary and financial reporting; internal budget control; fiscal organization and management; and general housekeeping and common operating services, including printing and reproduction work.

The amounts shown in the schedules for the above activities include administrative expenses under annual limitation; nonadministrative expenses under a separate limitation; and certain additional expenses not under limitation. Administrative expenses are estimated to increase from $1,250,000 to $1,600,000 reflecting staff increases to meet increasing workload and provision for the payment of rent for the use of Government-owned space. Nonadministrative expenses covering the expenses of examining savings and loan associations are discussed separately below.

Relation of costs to obligations.—The relationship is derived by year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories:				
Supplies	$8,210	$9,191	$10,100	$11,110
Postage meter	2,555	1,833	1,900	1,900
Unpaid undelivered orders	5,451	4,379	5,000	5,500
Total selected resources at end of year	16,216	15,403	17,000	18,510
Selected resources at start of year (−)		−16,216	−15,403	−17,000
Costs financed from obligations of other years, net (−)		−813		
Obligations incurred for costs of other years, net			1,597	1,510

Financial condition.—The Board is not incorporated, and has no capital stock. Its assets consist of cash on deposit with the Treasurer of the United States and accounts receivable for the services which it renders. Its liabilities consist essentially of accounts payable.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Examination and supervision of Federal home loan banks:			
Acquisition of equipment	$382		$128
Expense	151,818	$180,959	213,672
Supervision of Federal and State-chartered institutions:			
Acquisition of equipment	52	700	2,963
Expense	188,692	250,281	343,482
Chartered savings and loan associations:			
Acquisition of equipment			128
Expense	64,233	74,099	88,147
Examining savings and loan associations:			
Acquisition of equipment	34,672	17,100	9,000
Expense	3,836,062	5,279,465	6,105,854
Executive direction and staff services:			
Acquisition of equipment	2,094	2,875	3,408
Expense	576,386	694,204	841,372
Administrative services:			
Acquisition of equipment	335	225	2,210
Expense	287,160	311,492	397,636

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied)—Con.			
Credits allowed on prior year assessments		$103,485	
Increase in selected working capital		23,956	$47,039
Total gross expenditures	$5,141,886	6,938,841	8,055,039
Receipts from operations (funds provided):			
Revenue	5,110,972	6,865,888	8,101,224
Decrease in selected working capital	60,065		
Total receipts from operations	5,171,037	6,865,888	8,101,224
Budget expenditures	−29,151	72,953	−46,185

Revenue, Expense, and Retained Earnings

Examination and supervision of Federal home loan banks:			
Revenue	$152,200	$180,959	$213,800
Expense	152,200	180,959	213,800
Assessments and fees in excess of expense, examination and supervision of Federal home loan banks			
Supervision of Federal and State-chartered institutions:			
Revenue	188,744	250,981	346,445
Expense	188,744	250,981	346,445
Assessments and fees in excess of expense, supervision of Federal and State-chartered institutions			
Chartering savings and loan institutions:			
Revenue	64,233	74,099	88,275
Expense	64,233	74,099	88,275
Assessments and fees in excess of expense, chartering savings and loan institutions			
Examining savings and loan institutions:			
Revenue	3,831,536	5,351,053	6,208,078
Expense	3,870,734	5,296,565	6,114,854
Assessments and fees in excess of expense, examining savings and loan associations	−39,198	54,488	93,224
Executive direction and staff services:			
Revenue	586,764	697,079	844,780
Expense	578,480	697,079	844,780
Assessments and fees in excess of expense, executive direction and staff services	8,284		
Administrative services:			
Revenue	287,495	311,717	399,846
Expense	287,495	311,717	399,846
Assessments and fees in excess of expense, administrative services			
Assessments and fees in excess of expense for the year	−30,914	54,488	93,224
Analysis of deferred and undistributed credits:			
Deferred and undistributed credits, beginning of year	361,452	330,538	281,541
Credit allowed on prior year assessments (−)		−103,485	
Deferred and undistributed credits, end of year	330,538	281,541	374,765

Financial Condition

Assets:			
Cash with Treasury	$346,403	$273,450	$319,635
Accounts receivable	797,080	1,038,950	1,178,540
Inventory: Supplies	9,191	10,100	11,110
Other: Postage meter	1,833	1,900	1,900
Furniture, fixtures, and equipment	256,640	277,540	295,377
Less portion charged off as depreciation	256,640	277,540	295,377
Total, furniture, fixtures, and equipment			
Total assets	1,154,507	1,324,400	1,511,185
Liabilities:			
Current [1]	823,969	1,042,859	1,136,420
Deferred and undistributed credits	330,538	281,541	374,765
Total liabilities	1,154,507	1,324,400	1,511,185

[1] Excludes contingent liability for accrued annual leave of $513,879 at the end of 1957, $645,500 at the end of 1958, and $706,500 at the end of 1959.

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

FEDERAL HOME LOAN BANK BOARD REVOLVING FUND—Continued

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$317,252	$346,403	$273,450	$319,635
Obligated balance, net: Current liabilities	692,274	823,969	1,042,859	1,136,420
Obligations other than liabilities: Unpaid undelivered orders	5,451	4,379	5,000	5,500
Accounts receivable (−)	−725,709	−797,080	−1,038,950	−1,178,540
Net obligations outstanding	−27,984	31,268	8,909	−36,620
Unobligated balance	345,236	315,135	264,541	356,255

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

[Federal Home Loan Bank Board:] Not to exceed a total of [$1,250,000] *$1,600,000* shall be available for administrative expenses of the Federal Home Loan Bank Board, and shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Federal Home Loan Bank Administration, the Federal Home Loan Bank Board, or the Home Loan Bank Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home-loan banks, the Federal Reserve banks, the Federal Savings and Loan Insurance Corporation, and other agencies of the Government (*including payment for office space*): *Provided*, That all necessary expenses in connection with the conservatorship of institutions insured by the Federal Savings and Loan Insurance Corporation or preparation for or conduct of proceedings under section 5 (d) of the Home Owners' Loan Act of 1933 or section 407 of the National Housing Act and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home-loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That not to exceed [$46,950] *$55,000* shall be available for expenses of travel: *Provided further*, That members and alternates of the Federal Savings and Loan Advisory Council shall be entitled to reimbursement from the Board as approved by the Board for transportation expenses incurred in attendance at meetings of or concerned with the work of such Council and may be paid not to exceed $25 per diem in lieu of subsistence: *Provided further*, That notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U. S. C. 1421–1449): *Provided further*, That the nonadministrative expenses for the examination of Federal and State chartered institutions (other than special examinations determined by the Board to be necessary) shall not exceed [$5,665,000] *$6,343,000*. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Examination and supervision of Federal home loan banks	$152,200	$180,959	$213,800
2. Supervision of Federal and State-chartered institutions	188,097	250,981	346,445
3. Chartering savings and loan associations	64,233	74,099	88,275
5. Executive direction and staff services	408,850	497,244	616,634
6. Administrative services	214,825	246,717	334,846
Total administrative expenses	1,028,205	1,250,000	1,600,000
Financing:			
Unobligated balance no longer available	8,495		
Limitation	1,036,700	1,250,000	1,600,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	146	157	187
	Average number of all employees	134	152	180
	Number of employees at end of year	137	156	187
	Average GS grade and salary	8.4 $6,334	8.7 $6,450	8.6 $6,397
01	Personal services: Permanent positions	$922,215	$1,051,122	$1,234,139
	Other personal services	3,735	4,306	5,043
	Total personal services	925,950	1,055,428	1,239,182
	Deduct portion not chargeable to limitation	2,258		
	Net personal services	923,692	1,055,428	1,239,182
02	Travel	38,965	46,950	55,000
03	Transportation of things	291	595	570
04	Communication services	28,280	30,310	31,265
05	Rents and utility services	2,390	2,640	137,385
06	Printing and reproduction	143	3,000	3,000
07	Other contractual services	6,527	7,395	7,570
	Services performed by other agencies	4,947	7,112	7,685
08	Supplies and materials	20,887	27,005	30,316
09	Equipment	1,776	3,800	8,837
11	Grants, subsidies, and contributions		65,540	78,855
13	Refunds, awards, and indemnities			100
15	Taxes and assessments	307	225	235
	Total accrued administrative expenditures	1,028,205	1,250,000	1,600,000

LIMITATION ON NONADMINISTRATIVE EXPENSES, DIVISION OF EXAMINATIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
4. Examining savings and loan associations	$3,834,198	$5,296,565	$6,114,854
5. Executive direction and staff services	163,867	199,835	228,146
Total nonadministrative expenses	3,998,065	5,496,400	6,343,000
Financing:			
Unobligated balance no longer available	290,935	168,600	
Limitation	4,289,000	5,665,000	6,343,000

The division conducts regular periodic and special supervisory examinations of all Federal savings and loan associations, of State-chartered savings and loan associations and other institutions of the savings and loan type which are insured by the Federal Savings and Loan Insurance Corporation, and of noninsured member institutions of the Federal Home Loan Bank System that are not subject to State supervision. The division also examines and analyzes the financial condition of institutions which apply for membership in the system, for insurance of accounts or for conversion from a State to a Federal charter. The institutions examined bear the costs of examination, and the fees charged therefor are calculated to defray all of the operating expenses of the division.

The following table reflects the work of the division:

[Dollars in millions]

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Examinations completed or to be completed	3,096	3,858	3,990
Average size of insured institutions (start of year)	$10.3	$11.3	$12.3
Average volume new loans made by insured institutions	$2.8	$2.6	$2.6

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	533	663	710
	Average number of all employees	484	628	671
	Number of employees at end of year	518	661	710
	Average GS grade and salary	8.1 $5,389	8.8 $5,621	9.2 $5,867

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
01	Personal services:			
	Permanent positions	$2,626,714	$3,572,861	$3,970,580
	Other personal services	3,126	14,335	15,993
	Total personal services	2,629,840	3,587,196	3,986,573
	Deduct portion not chargeable to limitation	22,982	114,240	
	Net personal services	2,606,858	3,472,956	3,986,573
02	Travel	1,103,538	1,481,650	1,747,950
03	Transportation of things	4,996	5,000	5,000
04	Communication services	51,156	64,250	66,500
05	Rents and utility services	54,068	62,000	65,000
06	Printing and reproduction	9,546	9,600	9,400
07	Other contractual services	11,085	14,955	16,140
	Federal Home Loan Bank Board services	102,821	125,000	160,000
	Services performed by other agencies	240	750	750
08	Supplies and materials	15,992	18,359	19,072
09	Equipment	36,822	17,100	9,000
11	Grants, subsidies, and contributions		224,030	256,815
15	Taxes and assessments	943	750	800
	Total accrued nonadministrative expenditures	3,998,065	5,496,400	6,343,000

Investment in Federal Home Loan Banks

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$1,000,000,000	$1,000,000,000	$1,000,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,000,000,000	−1,000,000,000	−1,000,000,000
Financing applied to program			

The Federal home loan banks, together with the building and loan associations and similar institutions which are members of the banks, constitute the Federal home loan bank system, are designed to stabilize and strengthen institutions promoting private thrift and individual home ownership.

The 11 Federal home loan banks obtain their funds from capital stock, issuance of their own obligations, and deposits of member institutions. The capital stock of the banks consists entirely of subscriptions of member institutions. Authority to borrow from the Treasury in the amount of $1 billion is provided in 12 U. S. C. 1431 (64 Stat. 257). No borrowings have been made to date and none is anticipated in 1959.

Federal Savings and Loan Insurance Corporation Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Underwriting	$110,344	$131,027	$138,802
2. Prevention of default and payment of insurance	64,358	82,539	80,609
3. Analysis of operations	191,418	227,422	257,805
4. Executive direction and fiscal and other administrative services	223,296	254,612	267,184
5. Payment to Federal Home Loan Bank Board for services and facilities	413,561	512,500	656,000
Total costs, funded [1]	1,002,977	1,208,100	1,400,400
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−946		−5,400
Obligations incurred for costs of other years, net		1,626	
Total program (obligations)	1,002,031	1,209,726	1,395,000

[1] Includes acquisition of equipment (fully depreciated) in the amount of $17,257 for 1957; $20,600 for 1958; and $24,400 for 1959.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Sale of fixed assets acquired	$190,291	$102,060	$51,000
Insurance premiums and admission fees	27,136,528	31,890,100	36,116,600
Interest earned on U. S. securities	6,204,778	6,864,000	7,421,000
Other revenue	1,406	18,300	2,100
Total amounts becoming available	33,533,003	38,874,460	43,590,700
Unobligated balance brought forward:			
Authorization to expend from public debt receipts	750,000,000	750,000,000	750,000,000
Investments in U. S. securities	252,882,924	270,218,246	290,619,528
Total amounts available	1,036,415,927	1,059,092,706	1,084,210,228
Repayment of capital stock to Treasury (−)	−13,876,000	−16,170,000	−18,783,000
Payment of return on capital stock to Treasury (−)	−1,319,650	−1,093,452	−669,600
Unobligated balance carried forward:			
Authorization to expend from public debt receipts	−750,000,000	−750,000,000	−750,000,000
Investments in U. S. securities	−270,218,246	−290,619,528	−313,362,628
Financing applied to program	1,002,031	1,209,726	1,395,000

The Federal Savings and Loan Insurance Corporation is authorized by title IV of the National Housing Act (12 U. S. C. 1724 et seq.) to insure savings up to $10,000 in all savings and loan associations which apply and are approved for insurance. The Corporation also may protect investors by extending financial aid to institutions in difficulty through loans, cash grants, or purchases of assets. When an insured institution declared in default is a Federal savings and loan association, the Corporation is appointed as receiver for the purpose of liquidation. The Corporation also may act as receiver for State-chartered institutions declared in default if appointment is tendered by State authority.

Revenue from insurance premiums and interest on investments has been sufficient to meet all insurance losses, operating expenses, dividends on capital stock, and to establish a reserve for insurance losses of $229.5 million as of June 30, 1957. The Corporation has authority to borrow up to $750 million from Treasury, but no loans have ever been required. Since the time and size of expenditures for the prevention of default and payment of insurance are unpredictable, estimates of these expenditures are omitted from the financial statements.

The Corporation operates under the supervision and direction of the Federal Home Loan Bank Board, which provides certain administrative services and conducts the examination and supervision of insured institutions. Although the cost of examinations are paid by the institutions examined, the Corporation is assessed for its share of the costs of all services rendered by the Board.

[Dollars in thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
Number of insured institutions	3,723	3,850	3,980
Number of insured savers	18,806,000	21,000,000	23,300,000
Insured liability	$36,704,000	$41,600,000	$46,700,000
Assets of insured members	$42,068,000	$47,300,000	$52,700,000
Reserves and undivided profits of insured institutions	$2,813,000	$3,200,000	$3,700,000
Corporation's reserve for insurance losses	$229,497	$265,967	$307,437
Percent of authorization to total income	1.8	1.7	1.7

Budget program.—The budget program comprises five activities.

1. *Underwriting.*—This activity constitutes an analysis and evaluation of the insurance risk in connection with applications for insurance of accounts and other applications submitted pursuant to regulatory requirements. The assets of insured institutions have increased $10.5 billion or 33.3% in the last 2 years. The increasing interest in insurance of accounts on the part of uninsured institutions, plus the anticipated rate of growth, will in-

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND—Continued

crease the insured liability of the Corporation to an estimated $46.7 billion by June 30, 1959, as compared to $36.7 billion on June 30, 1957.

2. *Prevention of default and payment of insurance.*—The Corporation not only pays insurance in cases of defaulted institutions, but prevents default wherever possible. Through June 30, 1957, 38 institutions have needed financial assistance from the Corporation. Cash grants in the net amount of $4.9 million have been made to 28 institutions to prevent default; a grant to 1 institution has been authorized but not disbursed; the assets of 1 institution were purchased and liquidated without loss; certain assets of 1 institution were purchased and are in process of liquidation; and 7 institutions with aggregate assets of $9.2 million have been placed in liquidation and insurance paid. Total losses since organization amount to $5.2 million.

3. *Analysis of operations.*—The Corporation maintains a current analysis of the financial condition of member institutions, the flow of savings, and the character and volume of mortgage lending, including selective review of geographical or community areas and phases of operations and certain analyses of trends in the field of thrift and home mortgage finance.

4. *Executive direction and fiscal and other administrative services.*—This covers all fiscal and other administrative services as well as management and direction.

5. *Payment to Federal Home Loan Bank Board for services and facilities.*—The Corporation currently subscribes 41% of the administrative expenses of the Federal Home Loan Bank Board in return for services and facilities provided by the Board.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Deferred charges	$886	$1,853	$1,353	$953
Accrued annual leave	89,787	84,629	90,000	85,000
Unpaid undelivered orders	------	3,245	-------	-------
Total selected resources at end of year	90,673	89,727	91,353	85,953
Selected resources at start of year (−)		−90,673	−89,727	−91,353
Costs financed from obligations of other years, net (−)		−946	-------	−5,400
Obligations incurred for costs of other years, net		-------	1,626	-------

Financing.—The Corporation is retiring its original capital stock held by the Secretary of the Treasury at par in amounts equivalent to 50% of annual net income. Of the $100 million of original capital stock, $75.2 million has been retired, and with an additional payment of approximately $18.8 million in 1959 the outstanding stock will be reduced to $6.0 million. Funds for the retirement of capital stock are obtained through the redemption of United States securities held by the Corporation.

Through June 30, 1957, the Corporation has paid $42.2 million in lieu of dividends on capital stock. It is estimated that additional payments will be made to the Secretary of the Treasury of $1.1 million in 1958 and $0.7 million in 1959.

Operating results and financial condition.—Revenue of the Corporation consists primarily of insurance premiums, admission fees, and interest on investments in Government obligations. Total revenue, since 1934, of $287,052,953, has been applied as follows:

	Percent	*Amount*
Expense	3.9	$11,198,346
Insurance losses	1.8	5,241,369
Return on capital stock	14.7	42,210,212
Legal reserve	79.6	228,403,026

Operating expenses for 1959 are estimated at $1,400,400 consisting primarily of administrative expenses for the Corporation of $720,000 and $656,000 for services rendered by the Federal Home Loan Bank Board.

Net income before payment of a return on capital stock for 1959 is expected to be increased by $9.8 million or 30.3% above the net income for 1957. After providing for an interest payment in lieu of dividends on the capital stock of $0.7 million for 1959, at a rate determined by the Secretary of the Treasury, the balance of the net income, $41.4 million, will be retained by the Corporation and credited to its reserve for insurance losses.

The Corporation is required by law to accumulate a reserve of 5% of insured accounts and creditor obligations of insured institutions before collection of premiums may be discontinued. It is estimated that this statutory requirement will amount to $2.3 billion by June 30, 1959. The insurance reserve as of that date is expected to reach $307 million or 0.66% of an estimated insured liability of $46.7 billion.

Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of furniture, fixtures, and equipment	$17,257	$20,600	$24,400
Expense	985,720	1,187,500	1,376,000
Total gross expenditures	1,002,977	1,208,100	1,400,400
Receipts from operations (funds provided):			
Proceeds from sale of assets acquired to prevent default	190,291	102,060	51,000
Revenue	33,342,712	38,772,400	43,539,700
Decrease in selected working capital	832,770	792,716	934,200
Total receipts from operations	34,365,773	39,667,176	44,524,900
Budget expenditures	−33,362,796	−38,459,076	−43,124,500

Revenue, Expense, and Retained Earnings

Revenue	$33,342,712	$38,772,400	$43,539,700
Expense	1,002,977	1,208,100	1,400,400
Net income for the year	32,339,735	37,564,300	42,139,300
Analysis of retained earnings:			
Retained earnings, beginning of year	198,476,393	229,496,478	265,967,326
Payment of return on capital stock to Treasury (−)	−1,319,650	−1,093,452	−669,600
Retained earnings, end of year	229,496,478	265,967,326	307,437,026

Financial Condition

Assets:			
Cash with Treasury	$789,060	$824,684	$796,584
U. S. securities (par)	275,190,000	296,350,000	320,050,000
Accounts receivable, net	8,311,268	9,991,767	11,875,867
Deferred charges	1,853	1,353	953
Assets acquired to prevent default, net	159,505	57,445	6,445
Total assets	284,451,686	307,225,249	332,729,849
Liabilities:			
Current	75,675	66,190	72,690
Deferred credits (unearned insurance premiums)	13,908,533	16,390,733	19,202,133
Total liabilities	13,984,208	16,456,923	19,274,823
Government investment:			
Interest-bearing capital:			
Start of year	54,847,000	40,971,000	24,801,000
Repayment of capital stock to Treasury (−)	−13,876,000	−16,170,000	−18,783,000
End of year	40,971,000	24,801,000	6,018,000
Retained earnings	229,496,478	265,967,326	307,437,026
Total Government investment	270,467,478	290,768,326	313,455,026

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash and U. S. securities	$257,811,914	$275,979,060	$297,174,684	$320,846,584
Budget authorization	750,000,000	750,000,000	750,000,000	750,000,000
Total unexpended balance	1,007,811,914	1,025,979,060	1,047,174,684	1,070,846,584

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Status of Certain Fund Balances—Continued

	1956 actual	1957 actual	1958 estimate	1959 estimate
Obligated balance, net:				
Current liabilities	$83,210	$75,675	$66,190	$72,690
Deferred credits (unearned insurance premiums)	12,054,320	13,908,533	16,390,733	19,202,133
Accrued annual leave	89,787	84,629	90,000	85,000
Unpaid undelivered orders		3,245		
Accounts receivable, net (—)	−7,298,327	−8,311,268	−9,991,767	−11,875,867
Total obligated balance	4,928,990	5,760,814	6,555,156	7,483,956
Unobligated balance	1,002,882,924	1,020,218,246	1,040,619,528	1,063,362,628

Limitation on Administrative Expenses, Federal Savings and Loan Insurance Corporation

[Federal Savings and Loan Insurance Corporation:] Not to exceed [$675,000] *$720,000* shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or preparation for or conduct of proceedings under section 407 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses, and payments for administrative expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payment for services and facilities of the Federal home-loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, and other agencies of the Government: *Provided*, That not to exceed $15,400 shall be available for expenses of travel: *Provided further*, That notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U. S. C. 1724–1730). (*Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Underwriting	$108,946	$129,358	$136,826
2. Prevention of default and payment of insurance	62,960	80,870	78,633
3. Analysis of operations	184,291	218,915	247,727
4. Executive direction and fiscal and other administrative services	215,962	245,857	256,814
Total administrative expenses	572,159	675,000	720,000
Financing:			
Unobligated balance no longer available	23,841		
Limitation	596,000	675,000	720,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	87	96	105
Full-time equivalent of all other positions	2		
Average number of all employees	80	88	96
Number of employees at end of year	83	96	96
Average GS grade and salary	7.7 $5,947	7.8 $5,865	7.6 $5,782
01 Personal services:			
Permanent positions	$470,147	$530,575	$569,424
Positions other than permanent	10,196		
Other personal services	7,262	2,175	2,196
Total personal services	487,605	532,750	571,620
Deduct portion not chargeable to limitation	374		
Net personal services	487,231	532,750	571,620
02 Travel	7,030	15,400	15,400
03 Transportation of things	47	100	100
04 Communication services	11,970	12,600	12,800
05 Rents and utility services	36,014	41,000	43,000
06 Printing and reproduction	13,410	15,000	15,200
07 Other contractual services	8,355	14,700	14,500
Services performed by other agencies	3,765	4,700	4,700
08 Supplies and materials	4,002	5,100	5,300
11 Grants, subsidies, and contributions		33,300	37,200
15 Taxes and assessments	335	350	180
Total accrued administrative expenses	572,159	675,000	720,000

Home Owners' Loan Corporation Fund

The Corporation was created to provide credit facilities to refinance the mortgages of destitute urban home owners. Its lending authority expired on June 12, 1936, and since that time the Corporation has been dissolved. Liabilities, representing matured bonds held by the public together with accrued interest thereon, totaled $565,648 at the end of 1957 and are estimated to be reduced to $435,648 by the end of 1959.

Sources and Application of Funds

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Interest paid	$5,662	$5,000	$5,000
Budget expenditures	5,662	5,000	5,000

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$565,648	$500,648	$435,648
Liabilities:			
Interest payable	84,698	79,698	74,698
Matured bonds payable, held by public	480,950	420,950	360,950
Total liabilities	565,648	500,648	435,648

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$626,460	$565,648	$500,648	$435,648
Obligated balance, net:				
Liabilities	−626,460	−565,648	−500,648	−435,648
Unobligated balance				

Object Classification

	1957 actual	1958 estimate	1959 estimate
14 Interest	$5,662	$5,000	$5,000

Intragovernmental funds:

Advances and Reimbursements, Federal Home Loan Bank Board

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administrative services (total obligations)	$71,859	$65,000	$65,000
Financing:			
Advances and reimbursements from other accounts	71,859	65,000	65,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	13	13	13
Number of employees at end of year	13	13	13
01 Personal services	$44,408	$39,455	$34,775
04 Communication services	216	195	195
05 Rents and utility services	934	780	9,035
07 Other contractual services	144	130	130
Services performed by other agencies	216	195	130
08 Supplies and materials	25,797	21,840	18,525
09 Equipment	72		
11 Grants, subsidies, and contributions		2,340	2,145
15 Taxes and assessments	72	65	65
Total obligations	71,859	65,000	65,000

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FEDERAL HOME LOAN BANK BOARD—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS, DIVISION OF EXAMINATIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Examining savings and loan associations (total obligations)	$115		
Financing:			
Advances and reimbursements from other accounts	115		

Object Classification

01 Personal services	$115		

FEDERAL MEDIATION AND CONCILIATION SERVICE

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U. S. C. 171–180, 182), including expenses of the Labor-Management Panel as provided in section 205 of said Act; expenses of boards of inquiry appointed by the President pursuant to section 206 of said Act; temporary employment of arbitrators, conciliators, and mediators on labor relations at rates not in excess of $75 per diem; Government listed telephones in private residences and private apartments for official use in cities where mediators are officially stationed, but no Federal mediation and conciliation service office is maintained; [purchase of one passenger motor vehicle for replacement only at not to exceed $3,000;] expenses of attendance at meetings concerned with labor and industrial relations; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); [$3,550,000] *$3,695,000.* (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$3,550,000** Estimate 1959, **$3,695,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Mediation and conciliation of labor disputes	$2,997,343	$3,258,162	$3,394,945
2. Presidential boards of inquiry	4,231	5,000	5,000
3. Administration	257,915	286,838	295,055
Total obligations	3,259,489	3,550,000	3,695,000
Financing:			
Unobligated balance no longer available	45,511		
Appropriation (new obligational authority)	3,305,000	3,550,000	3,695,000

The Service assists labor and management in mediation and prevention of disputes affecting industries engaged in interstate commerce and defense production other than air and rail transportation.

1. *Mediation and conciliation of labor disputes.*—During the last year the number of disputes brought to the attention of the Service was approximately 78,000. About 19,000 were assigned for initial inquiry to determine the progress of the parties toward voluntary settlement and need for Federal mediation assistance. Over 13,000 disputes were mediated and closed during the year. While this was less than the 14,000 closed the previous year, economic and labor conditions indicate that the number of disputes is expected to increase in the next year. It is also anticipated that the amount of time devoted to individual disputes will also increase.

2. *Presidential boards of inquiry.*—Boards of inquiry may be appointed by the President when, in his judgment, an existing or threatened work stoppage in an essential industry will imperil the national health or safety.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	346	343	347
Full-time equivalent of all other positions	3	4	4
Average number of all employees	339	342	349
Number of employees at end of year	332	342	343
Average GS grade and salary	10.6 $8,203	10.6 $8,220	10.6 $8,267
01 Personal services:			
Permanent positions	$2,787,567	$2,795,000	$2,882,900
Positions other than permanent	15,032	22,300	22,300
Other personal services	1,688	12,700	12,800
Total personal services	2,804,287	2,830,000	2,918,000
02 Travel	269,492	320,000	340,000
03 Transportation of things	5,533	7,000	7,000
04 Communication services	83,411	95,000	100,000
05 Rents and utility services	8,872	34,000	36,500
06 Printing and reproduction	7,228	7,500	7,500
07 Other contractual services	14,735	16,000	16,500
Services performed by other agencies	14,947	18,500	17,100
08 Supplies and materials	14,653	13,600	14,000
09 Equipment	34,465	27,000	49,000
11 Grants, subsidies, and contributions		179,000	187,000
13 Refunds, awards, and indemnities	1,635	2,000	2,000
15 Taxes and assessments	231	400	400
Total obligations	3,259,489	3,550,000	3,695,000

FEDERAL POWER COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the work of the Commission, as authorized by law, including not to exceed [$300,000] *$400,000* for expenses of travel; hire of passenger motor vehicles; and not to exceed $500 for newspapers; [$5,530,000] *$6,385,000,* of which not to exceed $10,000 shall be available for special counsel and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at rates not exceeding $50 per diem for individuals[: *Provided,* That not to exceed $335,000 shall be available for investigations relating to Federal river development projects]. (*15 U. S. C. 717–717w; 16 U. S. C. 791a–825s, 828; 831m–1, m–3; 832a (a), d, e, f, i (b); 833d, e, h; 33 U. S. C. 701j; 43 U. S. C. 617–l (c), 1344 (c); 45 Stat. 200, 212–13, 1344; 60 Stat. 1080; 68 Stat. 573; 71 Stat. 401; Executive Order 10485, Sept. 3, 1953; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$5,530,000** Estimate 1959, **$6,385,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Non-Federal hydroelectric project activities	$1,066,467	$1,119,800	$1,314,600
2. Regulation and surveys, electric power industry	927,226	985,600	997,300
3. Regulation and surveys, natural gas industry	2,379,300	2,563,000	3,238,500
4. Federal projects investigation and regulation	320,303	334,400	307,400
5. International Joint Commission	12,905	13,900	13,900
6. Administration	477,824	513,300	513,300
Total obligations	5,184,025	5,530,000	6,385,000
Financing:			
Unobligated balance no longer available	40,975		
Appropriation (new obligational authority)	5,225,000	5,530,000	6,385,000

The Federal Power Commission administers the Federal Power Act and Natural Gas Act and has additional duties relating to Federal power development.

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1. *Non-Federal hydroelectric project activities.*—Licenses are issued for hydroelectric projects affecting public lands and streams subject to Federal jurisdiction; construction and operation of projects are inspected; and cost of construction is determined for projects under license to private interests. Pertinent data are:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Licensed projects	635	640	645
Applications completed during year	107	108	122
Applications pending (end of year)	109	111	99
Total claimed cost (in millions) of major projects	$3,872	$4,200	$4,600
Annual receipts from licenses	$2,091,323	$1,653,000	$1,845,000

2. *Regulation and surveys, electric power industry.*—Regulation covers the transmission and sale for resale of electric energy in interstate commerce and the rates, accounts, depreciation practices, certain security issues, disposition of properties, mergers, and the interconnection and coordination of facilities of those public utilities subject to the Commission's jurisdiction. Statistics about the electric utility industry are gathered and published. Pertinent data are:

[By calendar year]

Description	*1956 actual*	*1957 estimate*	*1958 estimate*
Number of public utilities regulated	200	200	200
Operating revenues of regulated utilities (in millions)	$6,800	$7,400	$8,000
Number of utilities reporting for statistical purposes	1,300	1,300	1,300
Operating revenues of reporting utilities (in millions)	$9,600	$10,300	$11,000

3. *Regulation and surveys, natural gas industry.*—Regulation covers the transportation and sale for resale of natural gas in interstate commerce, and the rates, accounts, and depreciation and depletion practices. Certificates of public convenience and necessity are issued to those natural-gas companies subject to the jurisdiction of the Commission. Statistics about the natural-gas industry are gathered and published. There were 107 natural-gas pipeline companies, with operating revenues of $2.9 billion regulated in calendar year 1956 and approximately 10,000 independent producers. The same number of companies is estimated in 1957 and 1958, the operating revenues estimated for pipeline companies in billions to be $3.2 in 1957 and $3.5 in 1958. Other pertinent data are:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Certificate applications filed by pipeline companies	511	500	500
Certificate applications filed by independent producers	1,298	1,200	1,200
Pipeline gas rate cases handled	74	83	91
Independent producer gas rate cases handled	441	609	669
Total rate filings received	7,800	6,900	7,600

4. *Federal project investigation and regulation.*—Of a potential 116 million kilowatts of hydroelectric power in the United States, 26.5 million kilowatts had been developed by Federal agencies and non-Federal interests as of December 31, 1956.

Studies are made of proposed Federal river development projects to determine possibilities for conservation, development, and utilization of potential power resources. Review and approval are required of certain proposed rates for sale of power from Federal projects. Information on the power features of river development projects is furnished to Congress and to Federal and State agencies. In 1957, 103 studies were carried on and it is estimated that there will be 105 in 1958 and 95 in 1959.

5. *International Joint Commission.*—The Commission participates in the International Joint Commission, which adjudicates controversies between the Governments or nationals of the United States and Canada over boundary waters and waters that cross the boundary.

A supplemental appropriation is anticipated for 1958 and appears below.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	750	746	860
	Full-time equivalent of all other positions	8	8	
	Average number of all employees	705	711	819
	Number of employees at end of year	758	730	840
	Average GS grade and salary	8.6 $6,342	8.7 $6,422	8.7 $6,427
01	Personal services:			
	Permanent positions	$4,542,199	$4,583,393	$5,244,800
	Positions other than permanent	28,868	28,880	
	Other personal services	6,907	17,727	20,200
	Total personal services	4,577,974	4,630,000	5,265,000
02	Travel	276,070	300,000	400,000
03	Transportation of things	3,607	3,500	3,700
04	Communication services	64,718	64,000	67,000
05	Rents and utility services	27,676	28,500	29,000
06	Printing and reproduction	66,544	64,000	85,000
07	Other contractual services	42,700	43,500	47,500
	Services performed by other agencies	2,200	500	500
08	Supplies and materials	64,228	50,000	67,000
09	Equipment	56,342	48,000	76,300
11	Grants, subsidies, and contributions		296,000	342,000
13	Refunds, awards, and indemnities	105		
15	Taxes and assessments	1,861	2,000	2,000
	Total obligations	5,184,025	5,530,000	6,385,000

Permanent authorizations:

PAYMENTS TO STATES UNDER FEDERAL POWER ACT

(Indefinite)

Appropriated (estimate) 1958, **$40,000** Estimate 1959, **$41,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payments to States (total obligations)	$43,983	$40,000	$41,000
Financing:			
Appropriation (new obligational authority)	43,983	40,000	41,000

The States receive 37½% of the receipts from licenses issued by the Federal Power Commission for occupancy and use of national forests and public lands within their boundaries (16 U. S. C. 810).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$43,983	$40,000	$41,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Non-Federal hydroelectric project activities	$26,348	$19,000	$19,000
2. Federal projects investigation and regulation	28,869	41,000	41,000
Total obligations	55,217	60,000	60,000
Financing:			
Advances and reimbursements from other accounts	55,217	60,000	60,000

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FEDERAL POWER COMMISSION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	4	6	6
Number of employees at end of year	0	0	0
Average GS grade and salary	13.0 $9,024	11.4 $7,166	11.4 $7,166
01 Personal services:			
Permanent positions	$38,804	$42,835	$42,835
Other personal services		165	165
Total personal services	38,804	43,000	43,000
02 Travel	13,372	9,400	9,400
04 Communication services	160	500	500
05 Rents and utility services	743	1,200	1,200
06 Printing and reproduction	1,123	1,800	1,800
07 Other contractual services	280	800	800
08 Supplies and materials	90	500	500
09 Equipment	645		
11 Grants, subsidies, and contributions		2,800	2,800
Total obligations	55,217	60,000	60,000

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Non-Federal hydroelectric project activities		$37,000	
2. Regulation and surveys, natural gas industry		63,000	
Total obligations		100,000	
Financing:			
Proposed supplemental appropriation		100,000	

Under existing legislation, 1958.—A supplemental appropriation for 1958 in the amount of $100,000 is anticipated to conduct an increased number of hearings on license applications for the development of hydroelectric power sites by non-Federal interests and for handling an increasing workload of certificates of convenience and necessity and rate cases related to the natural gas industry.

FEDERAL TRADE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by law (*5 U. S. C. 2131*), not to exceed $700 for newspapers, services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed [$251,250] *$260,000* for expenses of travel, [$5,950,000] *$6,025,000*: *Provided*, That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$5,950,000** Estimate 1959, **$6,025,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Antimonopoly:			
(*a*) Investigation and litigation	$2,539,660	$2,750,900	$2,781,850
(*b*) Economic and financial reports	514,650	532,400	533,700

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Antideceptive practices:			
(*a*) Investigation and litigation	$1,130,770	$1,232,800	$1,277,100
(*b*) Trade practice conferences and small business	238,620	275,100	275,750
(*c*) Wool, fur, and flammable fabrics enforcement	350,650	362,400	363,300
(*d*) Insurance and trademarks	103,220	101,600	101,800
3. Executive direction and management	352,650	371,100	372,000
4. Administration	286,203	323,700	319,500
Total obligations	5,516,423	5,950,000	6,025,000
Financing:			
Unobligated balance no longer available	33,577		
Appropriation (new obligational authority)	5,550,000	5,950,000	6,025,000

The Commission has the duty of preserving free competitive enterprise through prevention of monopolistic and unfair trade.

1. *Antimonopoly.*—All types of monopolistic restrictions, including price-fixing conspiracies, boycotting, price discriminations, and illegal mergers and acquisitions are corrected; economic criteria are brought to bear on monopoly problems; and supervision is provided over the operations of associations of American exporters engaged solely in export trade.

2. *Antideceptive practices.*—False and misleading advertising and other deceptive practices are prevented by corrective action, including the affirmative aid of voluntary trade-practice conferences; business and the public are protected from misbranding and nondisclosure of fiber content of manufactured wool products; consumers and merchants are protected from unfair practices with respect to furs and fur products; and the public is protected from dangers inherent in flammable fabrics. In 1959 additional funds are required to provide additional clinical and laboratory testing of drugs, medicines, therapeutic devices, etc.

3. *Executive direction and management.*—These also include the adjudicatory functions of the Commission.

SELECTED WORKLOAD DATA

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Applications for complaints received	2,972	3,683	3,800	4,000
Investigations instituted	991	1,113	1,200	1,400
Investigations completed	1,116	1,040	1,300	1,400
Investigations pending	1,281	1,365	1,300	1,400
Formal complaints issued:				
Antimonopoly	42	55	57	59
Deceptive practices	150	187	193	201
Orders to cease and desist issued:				
Antimonopoly	40	32	40	45
Deceptive practices	133	153	160	170
Stipulations to cease and desist negotiated	166	105	125	125
Assurances of discontinuance of violations accepted	[1] 160	1,760	1,848	1,940
Pending matters in litigation	227	262	280	290
Trade-practice rules promulgated	14	10	12	14
Penalty suits filed	6	12	14	14
Penalty suits completed	9	5	10	12
Appeals before Federal court pending	33	32	35	40
Appeals before Federal court completed	20	38	38	40

[1] Does not include assurances of discontinuance of wool, fur, and flammable fabrics violations.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	761	752	751
Average number of employees	717	745	745
Number of employees at end of year	744	750	750
Average GS grade and salary	8.9 $6,657	8.9 $6,672	8.9 $6,714
01 Personal services:			
Permanent positions	$4,839,525	$5,034,850	$5,060,500
Other personal services	30,945	38,150	39,500
Total personal services	4,870,470	5,073,000	5,100,000
02 Travel	225,081	251,250	260,000
03 Transportation of things	6,407	7,650	7,650
04 Communications services	59,715	67,000	67,000
05 Rents and utility services	27,288	18,500	18,500
06 Printing and reproduction	50,466	46,000	46,000

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$62,773	$77,600	$102,600
08	Supplies and materials	75,453	62,000	62,000
09	Equipment	128,985	23,000	23,000
11	Grants, subsidies, and contributions		324,000	338,250
13	Refunds, awards, and indemnities	9,785		
	Total obligations	5,516,423	5,950,000	6,025,000

FOREIGN CLAIMS SETTLEMENT COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry on the activities of the Foreign Claims Settlement Commission, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; expenses of attendance at meetings concerned with the purposes of this appropriation; not to exceed [$18,500] *$11,000* for expenses of travel; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the commission; hire of motor vehicles for field use only; and employment of aliens; [$835,000] *$650,000*, of which [$265,000] *$85,000* shall be derived only from the war claims fund created by section 13(a) of the War Claims Act of 1948 (Public Law 896, approved July 3, 1948) and not to be available for obligation after June 30, [1958] *1959*. (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$570,000** Estimate 1959, **$565,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Administration and settlement of—			
(a) International claims	$553,560	$400,000	$465,000
(b) Korean claims	25,000		
2. Review and development of claims programs	100,000	100,006	100,000
Total direct obligations	678,560	500,000	565,000
Reimbursable obligations:			
1. Administration and settlement of—			
(a) International claims	6,079		
(c) World War II claims	100,000	265,000	85,000
Total obligations	784,639	765,000	650,000
Financing:			
Advances and reimbursements from—			
War claims fund	−100,000	−265,000	−85,000
Other accounts	−6,079		
Unobligated balance no longer available	21,440	70,000	
Appropriation (new obligational authority)	700,000	570,000	565,000

The Foreign Claims Settlement Commission is responsible for the settlement of claims authorized by the War Claims and the International Claims Settlement Acts.

1. *Administration and settlement of—(a) International claims.*—Claims of United States nationals are authorized against Bulgaria, Hungary, Rumania, Italy, and the Soviet Union, including claims for losses arising from war damage, nationalization, and default on governmental debts. Funds totaling about $45 million derived from the vesting of blocked assets in the cases of Bulgaria, Hungary, and Rumania, and from settlements in the cases of Italy and the Soviet Union will become available as trust funds from which the Treasury will pay such claims. A 5% deduction will be made as an offset against appropriations for administrative expenses for the 4 years of the program. As of June 30, 1957, a total of 2,694 claims had been decided. The balance are to be completed as follows:

	1957 actual	*1958*	*1959*	*Total*	*Total amount claimed*
Soviet	1,620	1,460	1,050	4,130	$3,583,259,924
Italian	239	1,486	521	2,246	28,377,880
Bulgarian	146	145	100	391	26,092,799
Hungarian	452	673	1,600	2,725	228,111,735
Rumanian	237	236	600	1,073	267,466,622
Total	2,694	4,000	3,871	10,565	4,133,308,960

(*c*) *World War II claims.*—The settlement of claims of religious organizations not previously compensable under the War Claims Act was authorized August 6, 1956. Claimants have filed 109 claims asking recoveries totaling $29,854,337. Final settlements will be made in 1958. Liquidation of this and previous programs under the War Claims Act will continue during 1959 financed by reimbursement from the war claims fund.

2. *Review and development of claims programs.*—Operations included in the President's Reorganization Plan No. 1 of 1954 but not immediately embraced within active claims programs are set out now as a separate activity not charged to specific programs. These involve research, reports, documentation, and similar functions responsive to the requirements of the Congress and of other agencies of the Government concerning past, present, and proposed claims programs and problems.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	140	120	110
Average number of all employees	118	104	90
Number of employees at end of year	114	90	70
Average GS grade and salary	9.3 $5,858	9.3 $5,858	9.2 $5,730
Personal service obligations:			
Permanent positions	$708,780	$653,500	$554,370
Other personal services	1,220	700	4,630
Total personal service obligations	710,000	654,200	559,000
Direct obligations:			
01 Personal services	613,631	425,100	486,300
02 Travel	6,511	15,000	10,000
03 Transportation of things	10	50	50
04 Communication services	12,027	11,020	12,500
06 Printing and reproduction	3,489	3,300	4,400
07 Other contractual services	3,072	3,550	3,700
Services performed by other agencies	29,430	10,700	12,000
08 Supplies and materials	2,181	2,300	2,650
09 Equipment	7,950	1,280	1,700
11 Grants, subsidies, and contributions	10	27,600	31,600
15 Taxes and assessments	249	100	100
Total direct obligations	678,560	500,000	565,000
Reimbursable obligations:			
01 Personal services	96,369	229,100	72,700
02 Travel	1,200	3,500	1,000
04 Communication services	1,750	3,840	1,500
06 Printing and reproduction	508	2,200	900
07 Other contractual services	447	2,450	800
Services performed by other agencies	4,282	6,750	2,500
08 Supplies and materials	317	1,400	550
09 Equipment	1,170	800	300
11 Grants, subsidies, and contributions		14,900	4,700
15 Taxes and assessments	36	60	50
Total reimbursable obligations	106,079	265,000	85,000
Total obligations	784,639	765,000	650,000

GENERAL ACCOUNTING OFFICE

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the General Accounting Office, including newspapers and periodicals (not exceeding $500); [uniforms or allowances therefor, as authorized by law] *rental or lease of office space in foreign countries without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U. S. C. 529)*; not to exceed [$1,600,000] *$2,350,000* for expenses of travel; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); [$36,050,000] *$38,300,000*. (*31 U. S. C. 41, Supp. V, 841; 60 Stat. 812, 837; 64 Stat. 460, 832; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$36,050,000** Estimate 1959, **$38,300,000**

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GENERAL ACCOUNTING OFFICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Office of the Comptroller General	$34,670	$34,641	$35,662
2. Office of the Assistant Comptroller General	31,336	33,303	33,574
3. Office of the assistant to the Comptroller General	29,482	23,854	24,740
4. Office of legislative liaison	141,548	148,000	148,952
5. Office of administrative services	1,426,379	1,776,753	1,732,182
6. Claims division	3,912,914	3,827,400	3,754,500
7. Transportation division	6,412,685	6,665,600	6,643,500
8. Division of personnel	272,717	306,100	308,300
9. Office of the general counsel	1,213,252	1,268,500	1,280,300
10. Accounting and auditing policy staff	337,775	345,500	344,400
11. Office of staff management	124,065	211,680	178,685
12. Defense accounting and auditing division	4,252,469	4,925,900	5,449,000
13. Civil accounting and auditing division	6,096,142	6,211,100	6,281,500
14. Field operations division	7,706,954	9,114,707	10,793,835
15. European branch	805,322	919,100	868,500
16. Far East branch	145,236	272,100	422,370
Total operating costs	32,942,946	36,084,238	38,300,000
17. Relation of costs to obligations:			
Obligations incurred for costs of other years, net	31,927		
Costs financed from obligations of other years, net (—)		—34,238	
Total program (obligations)	32,974,873	36,050,000	38,300,000
Financing:			
Unobligated balance no longer available	1,025,127		
Appropriation (new obligational authority)	34,000,000	36,050,000	38,300,000

The General Accounting Office is responsible to the Congress for conducting independent reviews, audits, and investigations of the management and control of the financial transactions of the Government; for the rendition of legal decisions relating to Government fiscal matters; for developing, prescribing, and evaluating accounting systems on a governmentwide basis; for the settlement of certain claims for and against the Government; and for advising and assisting the Congress and Government agencies on matters relating to public funds. During 1957, refunds and collections in the amount of $64,871,911 were made through these activities.

1–3. *Office of the Comptroller General.*—Executive management of the General Accounting Office is carried out by the Comptroller General who is assisted by the Assistant Comptroller General and staff assistants.

4. *Office of legislative liaison.*—This office assists the Comptroller General in coordinating the various activities of the General Accounting Office with the Congress, its committees, and individual Members.

6. *Claims division.*—All claims by or against the United States are settled in this division except those for transportation items and claims wherein exclusive jurisdiction is conferred by law upon another agency or the courts.

7. *Transportation division.*—This division audits freight and passenger transportation payments for account of the United States and settles claims involving transportation charges. The transportation audit recovered $47,654,842 during 1957.

9. *Office of the general counsel.*—In addition to preparing decisions and reports on the legality or propriety of proposed obligations and expenditures of the Government, the general counsel and his staff participate in conferences with legislative and administrative officials of the Government on legal matters of a fiscal nature, the sufficiency of proposed legislation, the desirability of new legislation for particular purposes, and render all other required legal services.

10. *Accounting and auditing policy staff.*—This staff develops accounting policy for observance by each agency and for the guidance of audit work performed by General Accounting Office auditors; develops internal auditing objectives and standards for guidance of the executive agencies; reviews and develops, in cooperation with the Treasury Department and the Bureau of the Budget, central accounting and financial reporting processes; reviews agency accounting systems; develops and directs a program of application of modern electronic systems and other advanced methods to accounting operations of the Government; and assists and advises Congress on accounting and auditing policy matters.

11. *Office of staff management.*—This function involves (*a*) a recruiting program to obtain a high quality professional staff of accountants, auditors, and investigators; (*b*) a training and professional career development program; (*c*) exercising, in cooperation with the accounting and auditing divisions, general control over the assignment of the staff; and (*d*) securing appropriate recognition of the professional character of the accounting and auditing work of the General Accounting Office.

12. *Defense accounting and auditing division.*—This division performs the accounting, auditing, and investigative functions of the General Accounting Office in the Department of Defense. These functions involve the development, review, and evaluation of accounting systems; the evaluation of the performance of the Military Establishment in discharging its financial obligations; and the conduct of investigations of matters relating to the handling of public funds.

13. *Civil accounting and auditing division.*—This division performs the accounting, auditing, and investigative functions of the General Accounting Office in all departments and agencies of the Federal Government, other than those assigned to the defense accounting and auditing division. These functions involve the development, review, and evaluation of accounting systems; the evaluation of the performance of the civil departments and agencies in discharging their financial obligations; and the conducting of investigations of matters relating to the handling of public funds.

14. *Field operations division.*—This division, through 19 regional offices, performs all assigned accounting, auditing, and investigative functions outside the metropolitan area of Washington, D. C.

15. *European branch.*—This branch, with headquarters in Paris, France, performs General Accounting Office functions as they relate to U. S. Government operations in the European area, North Africa, and the Near East. Suboffices are located in London, England; Frankfurt, Germany; Rome, Italy; and Madrid, Spain.

16. *Far East branch.*—This branch, with headquarters in Tokyo, Japan, performs General Accounting Office functions as they relate to U. S. Government operations in the Far East.

17. *Relation of cost to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$75,308	$83,480	$83,480	$83,480
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	63,814	88,987	54,749	54,749
Total selected resources at end of year	139,122	172,467	138,229	138,229
Selected resources at start of year (—)		—139,122	—172,467	—138,229
Adjustment of selected resources reported at start of year		—1,418		
Costs financed from obligations of other years, net (—)			—34,238	
Obligations incurred for costs of other years, net		31,927		

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	$5,750	$5,791	$5,863
Full-time equivalent of all other positions	2	4	1
Average number of all employees	5,460	5,540	5,645
Number of employees at end of year	5,515	5,652	5,770
Average GS grades and salary	7.2 $5,488	7.5 $5,597	7.8 $5,724
01 Personal services:			
Permanent positions	$30,012,988	$30,916,085	$32,199,180
Positions other than permanent	16,496	41,915	10,820
Other personal services	159,470	342,000	365,000
Total personal services	30,188,954	31,300,000	32,575,000
02 Travel	1,455,805	1,600,000	2,350,000
03 Transportation of things	86,926	95,000	118,000
04 Communication services	153,463	156,000	156,000
05 Rents and utility services	191,978	157,000	157,000
06 Printing and reproduction	144,688	120,000	120,000
07 Other contractual services	175,012	179,000	183,000
Services performed by other agencies	228,694	217,000	230,000
08 Supplies and materials	211,461	200,000	200,000
09 Equipment	105,203	90,000	90,000
11 Grants, subsidies, and contributions		1,910,000	2,095,000
12 Pensions, annuities, and insurance claims	17,500	17,500	17,500
13 Refunds, awards, and indemnities	12,371	5,000	5,000
15 Taxes and assessments	2,818	3,500	3,500
Total obligations	32,974,873	36,050,000	38,300,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Office of administrative services	$18,975	$19,000	$19,000
2. Claims division	422	500	500
3. Transportation division	5,466	5,500	5,500
4. Division of personnel	4,388	4,500	4,500
5. Defense accounting and auditing division	3,798	4,000	4,000
6. Civil accounting and auditing division	6,502	6,500	6,500
7. Field operations division	9,163	10,000	10,000
Total program costs (obligations)	48,714	50,000	50,000
Financing:			
Advances and reimbursements from other accounts	48,714	50,000	50,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5	5	5
Average number of all employees	5	5	5
Number of employees at end of year	0	0	0
Average GS grade and salary	9.4 $5,953	9.4 $5,953	9.4 $5,953
01 Personal services: Permanent positions	$29,763	$30,000	$30,000
04 Communication services	896	1,000	1,000
06 Printing and reproduction	15,818	16,000	16,000
07 Other contractual services	616	1,000	1,000
09 Equipment	1,621	2,000	2,000
Total obligations	48,714	50,000	50,000

HISTORICAL AND MEMORIAL COMMISSIONS

Current authorizations:

ALEXANDER HAMILTON BICENTENNIAL COMMISSION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the celebration (total obligations)	$98,424	$25,607	
Financing:			
Unobligated balance brought forward	−69,031	−25,607	
Unobligated balance carried forward	25,607		
Appropriation (new obligational authority)	55,000		

The Alexander Hamilton Bicentennial Commission prepared plans for signalizing the 200th anniversary of the birth of Alexander Hamilton, January 11, 1957. The Commission will expire not later than January 11, 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	12	2	
Number of employees at end of year	9	0	
01 Personal services:			
Positions other than permanent	$70,605	$18,540	
Other personal services	5,532	241	
Total personal services	76,137	18,781	
02 Travel	6,320	1,668	
03 Transportation of things	132	134	
04 Communication services	4,035	1,286	
06 Printing and reproduction	1,469	1,800	
07 Other contractual services	4,868	988	
08 Supplies and materials	4,021	873	
09 Equipment	460		
15 Taxes and assessments	982	77	
Total obligations	98,424	25,607	

BOOKER T. WASHINGTON CENTENNIAL COMMISSION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Directing celebration functions (total obligations)	$189,721	$35,279	
Financing:			
Unobligated balance brought forward		−35,279	
Unobligated balance carried forward	35,279		
Appropriation (new obligational authority)	225,000		

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$189,721	$35,279	

A grant was made to this Commission, created under the laws of Virginia, to carry out the celebration of the 100th anniversary of the birth of Booker T. Washington, to promote interracial goodwill, and revive interest in the policies, programs, principles, and philosophies of Booker T. Washington.

[BOSTON NATIONAL HISTORIC SITES COMMISSION]

[The appropriation granted under this heading in the Supplemental Appropriations Act of 1956 shall remain available until June 30, 1958.] (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the preservation of historic properties (total obligations)	$18,020	$16,560	
Financing:			
Unobligated balance brought forward	−34,580		
Unobligated balance no longer available	16,560		
Reappropriation (new obligational authority)		16,560	

The Commission is preparing an inventory of historic sites and buildings in Boston and vicinity, together with an analysis of their condition. A report will be submitted to Congress recommending programs for their preservation by local, State, and Federal agencies for public use.

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HISTORICAL AND MEMORIAL COMMISSIONS—Continued

Current authorizations—Continued

[BOSTON NATIONAL HISTORIC SITES COMMISSION]—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2	2	
Full-time equivalent of all other positions	1	1	
Average number of all employees	3	3	
Number of employees at end of year	4	2	
Average GS grade and salary	8.5 $5,823	8.5 $5,890	
01 Personal services:			
Permanent positions	$11,645	$11,780	
Positions other than permanent	3,692	2,600	
Other personal services		100	
Total personal services	15,337	14,480	
02 Travel	998	300	
04 Communication services	216	100	
05 Rents and utility services	70	75	
06 Printing and reproduction	83		
07 Other contractual services	611	279	
08 Supplies and materials	203	500	
09 Equipment	179	50	
11 Grants, subsidies, and contributions		766	
13 Refunds, awards, and indemnities	303		
15 Taxes and assessments	20	10	
Total obligations	18,020	16,560	

[CORREGIDOR BATAAN MEMORIAL COMMISSION]

[SALARIES AND EXPENSES]

[For expenses necessary to carry out the provisions of the Act of August 5, 1953, as amended (67 Stat. 366 and 69 Stat. 589), $44,000.] (*General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$44,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Planning for the memorial	$52,041	$44,000	
2. Fund raising campaign			
Total obligations	52,041	44,000	
Financing:			
Unobligated balance brought forward	−54,183		
Unobligated balance no longer available	2,142		
Appropriation (new obligational authority)		44,000	

The Corregidor Bataan Memorial Commission is to erect on Corregidor Island a memorial to servicemen who lost their lives while serving in the Pacific area during World War II.

An appropriation of $56,000 was made in 1956 for the expenses of this Commission through June 30, 1957. An additional appropriation of $44,000 was made for 1958 to continue planning and to initiate a popular subscription campaign for additional funds.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1	3	
Full-time equivalent of all other positions	1		
Average number of all employees	2	3	
Number of employees at end of year	1	3	
Average GS grade and salary	6.5 $4,887	5.0 $4,409	
Average salary of ungraded positions		$12,150	
01 Personal services:			
Permanent positions	$4,887	$20,968	
Positions other than permanent	13,200		
Other personal services		81	
Total personal services	18,087	21,049	
02 Travel	$2,371	$9,470	
03 Transportation of things	280	100	
04 Communication services	89	500	
06 Printing and reproduction	769	300	
07 Other contractual services	29,920	10,580	
08 Supplies and materials	142	900	
09 Equipment	383	450	
11 Grants, subsidies, and contributions		556	
15 Taxes and assessments		95	
Total obligations	52,041	44,000	

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the memorial (total obligations)	$361	$9,639	
Financing:			
Unobligated balance brought forward		−9,639	
Unobligated balance carried forward	9,639		
Appropriation (new obligational authority)	10,000		

The Commission is formulating plans for the location, design, and construction of a permanent memorial to Franklin Delano Roosevelt in Washington or its immediate environs.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	1	1	
Number of employees at end of year	0	1	
01 Personal services: Positions other than permanent	$122	$1,900	
02 Travel	3	4,600	
04 Communication services	13	750	
06 Printing and reproduction	198	950	
07 Other contractual services	23	1,100	
08 Supplies and materials	2	339	
Total obligations	361	9,639	

[JAMESTOWN-WILLIAMSBURG-YORKTOWN CELEBRATION COMMISSION]

[For expenses necessary to complete carrying out the provisions of the Act of August 13, 1953 (67 Stat. 576), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; transportation and not to exceed $20 per diem in lieu of subsistence for members of the Commission serving without compensation; and entertainment; $88,000.] (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$88,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the celebration (total obligations)	$102,425	$88,000	
Financing:			
Unobligated balance no longer available	12,575		
Appropriation (new obligational authority)	115,000	88,000	

The Commission was established to commemorate in 1957 the 350th anniversary of the founding of Jamestown; the development of colonial culture at Williamsburg; and the winning of our American independence at Yorktown in 1781. Federal participation in the celebration

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was concluded on November 30, 1957. The Commission will liquidate its activities prior to June 30, 1958, and submit a report to the Congress.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4	3	
Full-time equivalent of all other positions	1	2	
Average number of all employees	4	4	
Number of employees at end of year	5	0	
Average GS grade and salary	9.7 $7,511	11.6 $8,921	
01 Personal services:			
Permanent positions	$29,103	$20,700	
Positions other than permanent	1,225	5,200	
Total personal services	30,328	25,900	
02 Travel	2,425	2,500	
03 Transportation of things	218	200	
04 Communication services	1,859	960	
05 Rents and utility services	2,189	1,300	
06 Printing and reproduction	3,906	13,000	
07 Other contractual services	57,617	42,840	
08 Supplies and materials	3,580	1,000	
09 Equipment	82	100	
15 Taxes and assessments	221	200	
Total obligations	102,425	88,000	

Theodore Roosevelt Centennial Commission

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the celebration (total obligations)	$42,253	$60,020	$34,730
Financing:			
Unobligated balance brought forward	−451	−98,198	−38,178
Unobligated balance carried forward	98,198	38,178	3,448
Appropriation (new obligational authority)	140,000		

The Commission will prepare (*a*) plans and a program commemorating in 1958 the centennial of Theodore Roosevelt's birth, and (*b*) plans for completing the development of Theodore Roosevelt Island, Washington, D. C., and the Theodore Roosevelt National Memorial Park, N. Dak.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4	5	5
Full-time equivalent of all other positions	1	2	2
Average number of all employees	5	7	7
Number of employees at end of year	8	7	6
Average salary of ungraded positions	$6,689	$5,780	$3,710
01 Personal services:			
Permanent positions	$27,001	$28,789	$18,479
Positions other than permanent	6,437	11,500	4,560
Other personal services	9	111	71
Total personal services	33,447	40,400	23,110
02 Travel	2,472	4,100	2,500
03 Transportation of things	46	500	400
04 Communication services	610	3,500	1,500
05 Rents and utility services	49	400	300
06 Printing and reproduction	812	4,500	3,100
07 Other contractual services	2,252	2,500	1,500
08 Supplies and materials	1,178	2,620	1,500
09 Equipment	929	600	300
15 Taxes and assessments	458	900	520
Total obligations	42,253	60,020	34,730

Woodrow Wilson Centennial Celebration Commission

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the celebration (total obligations)	$68,847		
Financing:			
Unobligated balance brought forward	−$21,065		
Unobligated balance no longer available	718		
Appropriation (new obligational authority)	48,500		

A report on the activities of the Commission, commemorating in 1956 the centennial of Woodrow Wilson's birth, is under preparation for submission to the Congress after which the Commission will terminate.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4		
Full-time equivalent of all other positions	1		
Average number of all employees	4		
Number of employees at end of year	4		
Average GS grade and salary	7.5 $5,141		
01 Personal services:			
Permanent positions	$17,775		
Positions other than permanent	2,688		
Other personal services	12		
Total personal services	20,475		
02 Travel	2,044		
03 Transportation of things	11		
04 Communication services	970		
06 Printing and reproduction	12,418		
07 Other contractual services	32,000		
08 Supplies and materials	738		
09 Equipment	88		
15 Taxes and assessments	103		
Total obligations	68,847		

INDIAN CLAIMS COMMISSION

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary to carry out the purposes of the Act of August 13, 1946 (25 U. S. C. 70), creating an Indian Claims Commission, $177,700, of which not to exceed $3,600 shall be available for expenses of travel. (*71 Stat. 269; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$177,700** Estimate 1959, **$177,700**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Adjudication of Indian claims (total obligations)	$130,876	$167,000	$177,700
Financing:			
Unobligated balance no longer available	1,424	10,700	
Appropriation (new obligational authority)	132,300	177,700	177,700

This independent Commission of three members was created to hear and adjudicate claims, existing before August 13, 1946, of American Indian tribes, bands, or other identifiable groups of Indians residing within the territorial limits of the United States or Alaska. Of the 852 claims filed, 124 have been completed. Payments of awards are dependent upon subsequent appropriations made through "Claims, judgments, and private relief acts" appropriation to the Treasury Department. Through August 1957 these payments totaled $10,228,348. The existence of the Commission was extended to April 10, 1962, by Public Law 767, approved July 24, 1956.

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INDIAN CLAIMS COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	14	18	18
Average number of all employees	14	17	18
Number of employees at end of year	14	18	18
Average GS grade and salary	8.8 $6,705	9.7 $7,098	9.7 $7,133
01 Personal services: Permanent positions	$127,069	$148,515	$161,020
02 Travel	790	3,600	3,600
04 Communication services	710	1,450	1,600
06 Printing and reproduction	57	200	200
07 Other contractual services	334	500	500
Services performed by other agencies	5	700	50
08 Supplies and materials	384	500	500
09 Equipment	1,325	2,100	440
11 Grants, subsidies, and contributions		9,290	9,580
15 Taxes and assessments	202	145	210
Total obligations	130,876	167,000	177,700

INTERSTATE COMMERCE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Interstate Commerce Commission, including not to exceed $5,000 for the employment of special counsel; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; newspapers (not to exceed [$200] *$600*); purchase of not to exceed [sixty-two] *fifty-four* passenger motor vehicles *of which fourteen shall be* for replacement only; [and] not to exceed [$1,135,000] *$1,250,000* for expenses of travel; [$16,750,000] *and uniforms or allowances therefor, as authorized by law (5 U. S. C. 2131); $17,500,000*, of which [(a) not less than $1,363,500 shall be available for expenses necessary to carry out railroad safety activities and not less than $956,600 shall be available for expenses necessary to carry out locomotive inspection activities; (b)] $225,000 shall be available for expenses necessary to carry out such defense mobilization functions as may be delegated pursuant to law: *Provided*, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$16,750,000** Estimate 1959, **$17,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Regulation of carriers' rates, practices, operating authorities, and finance	$3,590,523	$3,944,091	$4,056,081
2. Compliance	3,364,591	3,904,356	4,118,736
3. Supervision and analysis of carriers' accounting and statistics	1,986,051	2,239,696	2,318,718
4. Supervision and interpretation of tariffs	918,425	1,034,720	1,099,946
5. Railroad safety and car service:			
(*a*) Car service	723,119	865,851	918,817
(*b*) Railroad safety	1,229,417	1,363,500	1,405,120
(*c*) Locomotive inspection	844,066	956,600	966,300
6. Defense mobilization	97,154	225,000	225,000
7. Executive and advisory functions	913,373	999,391	1,063,326
8. General management and administration	1,189,426	1,216,795	1,327,956
Total obligations	14,856,145	16,750,000	17,500,000
Financing:			
Unobligated balance no longer available	23,551		
Appropriation (new obligational authority)	14,879,696	16,750,000	17,500,000

The Commission regulates carriers engaged in interstate and foreign commerce, including railroads, motor carriers, water carriers, and pipelines.

The increase is requested to handle the continually increasing number of applications for motor-carrier operating authority, improvement in the development of economic and statistical data necessary to regulatory activities, and to provide more adequate level of compliance pertaining to the regulation of railroads and motor carriers.

1. *Regulation of carriers' rates, practices, operating authorities, and finance.*—This work consists of regulating rates, granting operating authorities, approving abandonments of and extensions of railroad lines, financial reorganizations, and rate agreements between carriers.

2. *Compliance.*—Statutes and regulations affecting transportation and carriers are enforced; examinations are made to ascertain that motor carriers and freight forwarders are adequately insured; and surveys are conducted of motor-carrier operating practices to reduce accidents and to promote safety on the public highways.

3. *Supervision and analysis of carrier accounting and statistics.*—Uniform systems of accounts are formulated and policed for all types of carriers; studies are made of operating costs for use in ratemaking; and data maintained for use in making valuations of railroad and pipeline properties and setting up accounts of reorganized companies. Statistics are compiled from carriers' reports and studies are made of operating, financial, and other problems of transportation agencies.

4. *Supervision and interpretation of tariffs.*—Common and contract carriers' tariffs are examined for compliance with Commission's tariff circular rules. Authority is granted to publish rates on less-than-statutory notice, and informal complaints and carriers' requests to pay reparation are handled.

5. *Railroad safety and car service.*—Field staff of the Commission work with carriers and shippers in handling problems of safety and efficient use of equipment in the transportation of passengers and property by railroad. This work includes inspection of safety appliances and signal installations, inspection of locomotives, and enforcing compliance with car-service regulations designed to increase the utilization of railroad rolling stock.

6. *Defense mobilization.*—Under delegation by the Director of Defense Mobilization, emergency mobilization plans and programs for domestic surface transportation, storage, and port facilities are formulated.

7. *Executive and advisory functions.*—These also include the quasi-judicial and quasi-legislative functions of the Commission.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Application for permanent motor carrier operating authorities:			
Received during year	3,353	4,120	3,965
Disposed of during year	3,504	3,495	4,290
Cases involving finance matters:			
Received during year	1,700	1,850	1,860
Disposed of during year	1,763	1,860	1,860
Rate proceedings:			
Motor carriers:			
Filed during year	1,370	1,436	1,440
Disposed of during year	1,390	1,390	1,390
Other:			
Filed during year	497	480	511
Disposed of during year	560	510	499
Number of tariffs filed during year:			
Motor carriers	108,190	109,000	110,000
Rail carriers	78,420	79,000	80,000
Field audits of carrier accounts	1,022	1,225	1,225
Safety activities:			
Motor carriers:			
Number of accidents investigated	349	808	920
Safety surveys of carriers' operations	9,562	11,654	12,904
Number of vehicles inspected	44,652	67,800	74,400
Rail carriers:			
Safety appliances inspected	1,104,836	1,354,000	1,354,000
Number of locomotives inspected	100,607	106,700	106,700

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2,245	2,301	2,364
Full-time equivalent of all other positions	1	1	1
Average number of all employees	2,090	2,264	2,320
Number of employees at end of year	2,203	2,255	2,317
Average GS grade and salary	8.2 $6,019	8.3 $6,046	8.3 $6,033
01 Personal services:			
Permanent positions	$12,707,567	$13,794,520	$14,103,280
Positions other than permanent	6,247	7,500	7,500
Other personal services	14,828	61,706	62,894
Total personal services	12,728,642	13,863,726	14,173,674
02 Travel	1,077,833	1,071,619	1,250,000
03 Transportation of things	31,149	23,917	27,700
04 Communication services	85,366	89,600	96,100
Penalty mail	52,298	56,360	56,360
05 Rents and utility services	61,080	70,500	92,500
06 Printing and reproduction	205,385	190,000	255,000
07 Other contractual services	141,333	139,081	156,756
08 Supplies and materials	220,732	204,701	255,110
09 Equipment	243,528	178,990	215,680
11 Grants, subsidies, and contributions		851,906	911,520
13 Refunds, awards, and indemnities	705	1,000	1,000
15 Taxes and assessments	8,094	8,600	8,600
Total obligations	14,856,145	16,750,000	17,500,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$5,033	$5,000	$5,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,115	3,140	4,580
Non-Federal sources (40 U. S. C. 481 (c))	2,918	1,860	420
Total financing	5,033	5,000	5,000

Object Classification

Average number of all employees	1		1
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$3,253	$2,140	$3,580
02 Travel	1,020	1,000	1,000
09 Equipment	760	1,860	420
Total obligations	5,033	5,000	5,000

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Current authorizations:

CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

[Contribution to Interstate Commission on the Potomac River Basin:] To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), $5,000. (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$5,000** Estimate 1959, **$5,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Contribution to the Commission (total obligations)	$5,000	$5,000	$5,000
Financing:			
Appropriation (new obligational authority)	5,000	5,000	5,000

The Interstate Commission on the Potomac River Basin was created by compact among the four States in the basin, the District of Columbia, and the Federal Government to abate water pollution.

This appropriation represents the Federal Government's pro rata share of the general expenses of the Commission.

The Commission also receives financial assistance from the Public Health Service under the program of grants for water pollution control activities.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$5,000	$5,000	$5,000

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Committee, including contracts for the making of special investigations and reports [(not to exceed $500,000)] and for engineering, drafting and computing services; not to exceed [$402,500] *$432,000* for expenses of travel; maintenance and operation of aircraft; *purchase of seventeen passenger motor vehicles, of which fourteen shall be for replacement only;* not to exceed $100 for newspapers and periodicals; uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114), as amended; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); [$71,000,000] *$80,480,000.* (*50 U. S. C. 151, 158, 159, 160; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$71,000,000** Estimate 1959, **$80,480,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Aerodynamic research	$29,678,408	$34,000,000	$38,500,000
2. Powerplants research	14,967,772	16,400,000	19,200,000
3. Aircraft structural research	7,714,404	8,700,000	10,150,000
4. Operating problems research	1,820,845	2,000,000	2,200,000
5. Headquarters management and coordination	1,682,998	1,800,000	1,827,000
Operating costs, funded	55,864,427	62,900,000	71,877,000
Supplies or services transferred in (−) without charge	−1,204,804	−1,170,000	−1,150,000
Total operating costs	54,659,623	61,730,000	70,727,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	600,798	270,000	153,000
Total operating program (obligations)	55,260,421	62,000,000	70,880,000
Capital outlay:			
7. Capital acquisitions	9,444,184	9,800,000	10,300,000
Capital assets transferred without charge:			
Transfers in (−)	−1,340,765	−1,310,000	−1,310,000
Transfers out	371,726	510,000	510,000
Capital outlay, funded	8,475,145	9,000,000	9,500,000
8. Relation of costs to obligations: Obligations incurred for costs of other years, net	293,354		100,000
Total capital acquisition program (obligations)	8,768,499	9,000,000	9,600,000
Total program (obligations)	64,028,920	71,000,000	80,480,000
Financing:			
Unobligated balance no longer available	147,580		
New obligational authority	64,176,500	71,000,000	80,480,000
New obligational authority:			
Appropriation	$62,676,500	$71,000,000	$80,480,000
Reappropriation	1,500,000		

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NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Research and development conducted by the Committee (National Advisory Committee for Aeronautics) is directed at providing the scientific and engineering data necessary for continued improvement in the design and performance of manned aircraft, ballistic and other guided missiles, and their powerplants. The Committee is also conducting investigations concerned with satellites and other space technology. Military problems, including specific problems in the development of particular military projects, are of special concern, and the Committee's program is closely coordinated with related programs of the Department of Defense.

The estimates for 1959 provide for a major augmentation of the Committee's research operations in order to meet the increasingly complex problems of flight under a wide range of as yet little understood conditions. Supplemental funds are being requested for 1958 in order to permit immediate initiation of this expanded effort and are shown at the end of this chapter under the heading "Proposed for later transmission."

The Committee's activities are carried on mainly at its 3 laboratories and 2 flight stations and involve actual flight tests of piloted and pilotless aircraft, experimentation with the aid of wind tunnels and other specialized equipment, and theoretical studies.

1. *Aerodynamic research.*—Research in this field is directed at developing the design characteristics of aircraft and missiles of increased efficiency. Although the problems studied cover flight under a wide variety of conditions (including the relatively low-speed flight of vertical and short-take-off aircraft), increased emphasis has been placed in recent years on flight of manned and unmanned vehicles at hypersonic speeds.

2. *Powerplants research.*—Research on propulsion systems and fuels is conducted to increase the speed, altitude, flight duration, and payload capabilities of aircraft, missiles, and possible space vehicles. Emphasis is currently being placed on turbojet engines of advanced capabilities, rocket engines of new design and utilizing higher energy fuels, and investigation of unconventional systems for propulsion in space.

3. *Aircraft structural research.*—This research, which is concerned with the ability of aircraft, missiles, and possible space vehicles to withstand aerodynamic stresses, is especially concerned with aero-thermo-elastic problems resulting from the temperatures and heating rates encountered at high speeds.

4. *Operating problems research.*—Research in this field is concerned with the study of problems of transport aviation such as turbulence, fire, icing, and noise; and also with safety problems associated with flight beyond the atmosphere.

5. *Headquarters management and coordination.*—This activity provides for central direction of the research programs at all laboratories and research stations.

6. *Relation of costs to obligations.*—The relationship between operating costs and operating program (obligations) is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$1,222,676	$1,240,878	$1,284,000	$1,332,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,888,818	2,010,175	2,310,022	2,413,022
Advances (payments for goods and services on order not yet received)	130,462	37,059	82,514	84,514
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−3,953,136	−3,700,005	−3,800,000	−3,800,000
Unapplied costs (costs incurred not yet assigned to activities)	71,750	170,719	152,290	152,290
Total selected resources at end of year	−639,430	−241,174	28,826	181,826
Selected resources at start of year		639,430	241,174	−28,826
Adjustment of selected resources reported at start of year		202,542		
Obligations incurred for costs of other years, net		600,798	270,000	153,000

7. *Capital acquisitions.*—This activity includes acquisition of certain research equipment; facility modifications and improvements; minor construction; and the services of staff engaged in design and inspection in connection with construction of major facilities, which are funded under the construction and equipment appropriation.

8. *Relation of costs to obligations.*—The relationship between capital outlay and capital outlay obligations is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$579,274	$866,978	$866,978	$966,978
Advances (payments for goods and services on order not yet received)	850	6,500	6,500	6,500
Total selected resources at end of year	580,124	873,478	873,478	973,478
Selected resources at start of year (−)		−580,124	−873,478	−873,478
Obligations incurred for costs of other years, net		293,354		100,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	8,120	7,935	9,000
	Full-time equivalent of all other positions	1	1	1
	Average number of all employees	7,787	7,930	8,500
	Number of employees at end of year	7,992	7,865	8,930
	Average GS grade and salary	8.6 $6,576	8.8 $6,759	8.9 $6,829
	Average salary for grades established by the Director	$5,449	$5,501	$5,461
01	Personal services:			
	Permanent positions	$45,932,183	$49,013,011	$53,449,000
	Positions other than permanent	230	730	1,500
	Other personal services	311,110	522,717	581,500
	Total personal services	46,243,523	49,536,458	54,032,000
02	Travel	374,517	402,500	432,000
03	Transportation of things	167,524	155,000	158,000
04	Communication services	201,227	227,400	281,000
05	Rents and utility services	979,989	1,270,226	1,506,000
	Electric power	5,947,476	6,085,424	7,829,000
06	Printing and reproduction	112,971	129,060	130,000
07	Other contractual services	440,683	484,255	544,000
	Repairs and alterations	782,725	898,125	1,553,500
	Research contracts	727,311	410,000	410,000
	Services by other agencies	50,362	64,300	106,500
	Research services	188,500	90,000	90,000
	Security investigations	38,300	50,000	80,000
08	Supplies and materials	5,337,549	5,669,620	6,234,000
09	Equipment	2,423,991	2,463,417	3,666,000
11	Grants, subsidies, and contributions		3,040,665	3,404,000
13	Refunds, awards, and indemnities	5,627	6,000	6,000
15	Taxes and assessments	14,624	17,550	18,000
	Subtotal	64,036,899	71,000,000	80,480,000
	Deduct accounts receivable at end of year	−7,979		
	Total obligations	64,028,920	71,000,000	80,480,000

CONSTRUCTION AND EQUIPMENT

[Construction and equipment:] For construction and equipment at laboratories and research stations of the Committee, [including the acquisition of not to exceed one hundred and fifteen acres of land, $35,000,000] *$26,220,000,* to remain available until expended. *(50 U. S. C. 151b; Independent Offices Appropriation Act, 1958.)*

Appropriated 1958, **$35,000,000** Estimate 1959, **$26,220,000**

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Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1959	Appropriation required to complete
Program by activities:									
1. Langley Aeronautical Laboratory	$61,643,577	$22,473,271	$5,491,046	$8,453,757	$6,400,000	$12,355,503	$18,825,503	$12,870,000	
2. Ames Aeronautical Laboratory	29,232,240	11,341,372	879,634	1,650,000	5,300,000	11,040,234	10,061,234	4,321,000	
3. Lewis Flight Propulsion Laboratory	48,301,297	7,596,798	4,606,349	10,500,000	11,000,000	16,706,150	14,598,150	8,892,000	
4. High-Speed Flight Station	4,006,523	3,997,461	9,062						
5. Pilotless Aircraft Station	1,791,500	1,595	70,979	230,000	1,300,000	1,351,926	188,926	137,000	
Reserves	72,421					72,421	72,421		
Total program costs	145,047,558	45,410,497	11,057,070	20,833,757	24,000,000	41,526,234	43,746,234	26,220,000	
6. Relation of costs to obligations: Obligations incurred for costs of other years, net			7,773,238	4,000,000	5,950,000				
Total program (obligations)			18,830,308	24,833,757	29,950,000				
Financing:									
Unobligated balance brought forward			−13,220,666	−8,378,648	−18,544,891				
Unobligated balance carried forward			8,378,648	18,544,891	14,814,891				
Unobligated balance no longer available			11,710						
Appropriation (new obligational authority)			14,000,000	35,000,000	26,220,000				

This appropriation provides for the modernization of National Advisory Committee for Aeronautics research and supporting facilities and for the construction of certain additional facilities for conducting research beyond the capabilities of existing equipment.

1. *Langley Aeronautical Laboratory.*—The 1959 estimates provide for the construction of one major new facility for high-temperature research on structures and for utility improvements. Projects against which costs will be incurred in 1959 will be primarily from prior year programs. Additional facilities at this location are being requested in 1958 and are shown at the end of this chapter under the heading "Proposed for later transmission."

2. *Ames Aeronautical Laboratory.*—The 1959 program includes 2 new facilities for hypersonic research and modifications to 1 existing facility. Projects against which costs will be incurred in 1959 will be primarily from prior year programs.

3. *Lewis Flight Propulsion Laboratory.*—Included in the 1959 program are 2 new facilities for hypersonic research and modifications to 4 existing facilities. Projects against which costs will be incurred in 1959 will be primarily from prior year programs.

4. *High-Speed Flight Station.*—Final payments were completed in 1957 for the flight-test facility constructed at this station.

5. *Pilotless Aircraft Station.*—The 1959 program includes certain plant improvements.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$11,032,279	$18,925,630	$22,881,343	$28,831,343
Advances (payments for goods and services on order not yet received)	175,826	55,713	100,000	100,000
Total selected resources at end of year	11,208,105	18,981,343	22,981,343	28,931,343
Selected resources at start of year (−)		−11,208,105	−18,981,343	−22,981,343
Obligations incurred for costs of other years, net		7,773,238	4,000,000	5,950,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
10 Lands and structures	$18,830,308	$24,833,757	$29,950,000

Construction and Equipment, Unitary Plan

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Langley Aeronautical Laboratory	$224,309	$76,239	
2. Ames Aeronautical Laboratory	598,673	115,292	
3. Lewis Flight Propulsion Laboratory	328,173	339,811	
Total program costs	1,151,155	531,342	
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−632,265	−365,099	
Total program (obligations)	518,890	166,243	
Financing:			
Unobligated balance brought forward	−787,133	−268,243	
Unobligated balance carried forward	268,243		
Unobligated balance no longer available		102,000	
Appropriation (new obligational authority)			

An appropriation of $75 million was made in 1950 for the construction of three large supersonic wind tunnels at laboratories of the National Advisory Committee for Aeronautics, for the development of military aircraft and missiles and their powerplants, as authorized by the Unitary Wind Tunnel Plan Act of 1949. These tunnels were placed in productive operation during 1956.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$995,879	$365,099		
Advances (payments for goods and services on order not yet received)	1,485			
Total selected resources at end of year	997,364	365,099		
Selected resources at start of year (−)		−997,364	−$365,099	
Costs financed from obligations of other years, net (−)		−632,265	−365,099	

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NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS—Continued

Current authorizations—Continued

CONSTRUCTION AND EQUIPMENT, UNITARY PLAN—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
10 Lands and structures	$518,890	$166,243	

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Aerodynamic research		$1,960,000	
2. Powerplants research		1,110,000	
3. Aircraft structural research		530,000	
4. Capital acquisitions		1,400,000	
Total program (costs—obligations)		5,000,000	
Financing:			
Proposed supplemental appropriation		5,000,000	

Under existing legislation, 1958.—The supplemental estimate anticipated is to permit immediate augmentation of the Committee's research operations, as follows: (1) Aerodynamic research on advanced supersonic aircraft, ballistic and interceptor missiles, manned hypersonic vehicles, and space vehicles including satellites; (2) powerplants research on advanced turbojet engines, rocket engines, power systems for space flight, and supporting research on engine materials and special fuels; (3) aircraft structural research related to the problems associated with the design of efficient aircraft, missiles, and space vehicles to withstand aerodynamic heating; and (4) capital acquisitions to support the accelerated research activities described above.

CONSTRUCTION AND EQUIPMENT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Langley Aeronautical Laboratory (total costs—obligations)		$2,300,000	$4,480,000
Financing:			
Unobligated balance brought forward			−4,480,000
Unobligated balance carried forward		4,480,000	
Proposed supplemental appropriation		6,780,000	

Under existing legislation, 1958.—A supplemental estimate is anticipated for 1958 to provide for construction of a data reduction center to speed the availability of research results, a facility for investigation of high temperature materials, and instrumentation related to a research aircraft.

NATIONAL CAPITAL HOUSING AUTHORITY

Current authorizations:

OPERATION AND MAINTENANCE OF PROPERTIES

[Maintenance and operation of properties:] For the [maintenance and] operation *and maintenance* of properties under title I of the District of Columbia Alley Dwelling [Authority] Act, [$38,000] *$45,500*: *Provided*, That all receipts derived from sales, leases, or other sources shall be covered into the Treasury of the United States monthly: *Provided further*, That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475, Eighty-first Congress), shall not be effective. (*48 Stat. 930, amended by Public Law 733, 75th Cong.; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$38,000** Estimate 1959, **$45,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operation and maintenance of title I properties (total obligations)	$37,865	$38,000	$45,500
Financing:			
Unobligated balance no longer available	135		
Appropriation (new obligational authority)	38,000	38,000	45,500

The Authority operates 112 low-rent housing units and 30 nonresidential properties under title I of the District of Columbia Alley Dwelling Act. Operations are financed by appropriations; receipts are paid into the Treasury, as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Receipts	$55,398	$55,410	$55,050
Routine operating expense	32,207	34,224	39,584
Major repairs and replacements	5,658	3,776	5,916
Total obligations	37,865	38,000	45,500
Net income	17,533	17,410	9,550

Object Classification

	1957 actual	1958 estimate	1959 estimate
Full-time equivalent of all positions	5	5	6
Average number of all employees	5	5	6
Number of employees at end of year	5	5	6
Average GS grade and salary	6.8 $5,425	6.6 $5,184	6.6 $5,234
Average salary of ungraded positions	$3,922	$3,955	$3,955
01 Personal services:			
Positions other than permanent	$21,209	$21,274	$27,370
Other personal services	699	726	730
Total personal services	21,908	22,000	28,100
02 Travel	44	45	45
04 Communication services	262	260	260
05 Rents and utility services	4,586	4,800	4,760
06 Printing and binding	47	40	45
07 Other contractual services	5,313	3,158	5,263
08 Supplies and materials	3,991	4,200	4,450
09 Equipment	1,714	2,175	1,200
11 Grants, subsidies, and contributions		1,322	1,377
Total obligations	37,865	38,000	45,500

NATIONAL CAPITAL PLANNING COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses, as authorized by the National Capital Planning Act of 1952 (66 Stat. 781), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed $175 for the purchase of newspapers and periodicals; not to exceed $8,000 for expenses of travel; payment in advance for membership in societies whose publications or services are available to members only or to members at a price lower than to the general public; and transportation and not to exceed $15 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b–2), for members of the Commission serving without compensation; [$225,000] *$250,000*. (*66 Stat. 781; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$225,000** Estimate 1959, **$250,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning (total obligations)	$164,775	$225,000	$250,000
Financing:			
Unobligated balance no longer available	35,225		
Appropriation (new obligational authority)	200,000	225,000	250,000

The National Capital Planning Commission is the central planning agency for the Federal and District Governments for the orderly development and redevelopment of the National Capital and the conservation of natural and historical features. The National Capital Regional Planning Council coordinates planning in the counties and cities of the metropolitan area. A common staff serves both the Commission and the Council.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	27	28	30
Full-time equivalent of all other positions		1	1
Average number of all employees	20	26	29
Number of employees at end of year	22	27	30
Average GS grade and salary	9.6 $7,020	9.6 $7,067	9.6 $7,088
01 Personal services:			
Permanent positions	$136,872	$182,700	$201,680
Positions other than permanent	927	3,000	6,000
Other personal services	855	1,700	1,775
Total personal services	138,654	187,400	209,455
02 Travel	5,653	8,000	8,000
04 Communication services	2,615	2,700	2,700
06 Printing and reproduction	643	800	800
Blueprinting, photostating, etc	1,732	2,000	2,250
07 Other contractual services	8,343	5,500	7,125
Services performed by other agencies	1,890	2,600	2,600
08 Supplies and materials	2,437	2,500	2,750
09 Equipment	2,498	1,000	1,000
11 Grants, subsidies, and contributions		12,000	12,820
13 Refunds, awards, and indemnities		200	200
15 Taxes and assessments	310	300	300
Total obligations	164,775	225,000	250,000

Land Acquisition, National Capital Park, Parkway, and Playground System

[Land acquisition, National Capital park, parkway, and playground system:] Under authority of the Act of May 29, 1930 (46 Stat. 482), as amended, for necessary expenses for the National Capital Planning Commission for acquisition of land for the park, parkway, and playground system of the National Capital, to remain available until expended, [$1,393,000, of which (a) $75,000 shall be available for the purposes of section 1 (a) of said Act of May 29, 1930, (b) $318,000 shall be available for the purposes of section 1 (b) thereof, and (c) $1,000,000 shall be available for the purposes of section 4 thereof] *$1,120,000, which shall be available for the purposes of section 4 of said Act of May 29, 1930: Provided,* That not exceeding [$69,000] *$63,500* of the funds available for land acquisition purposes shall be used during the current fiscal year for necessary expenses of the Commission (other than payments for land) in connection with land acquisition. (*46 Stat. 482; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,393,000** Estimate 1959, **$1,120,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. George Washington Memorial Parkway, Va	$178,429	$410,224	
2. George Washington Memorial Parkway, Md	207,025	75,704	
3. Extension of stream valley parkways into nearby Maryland	168,351	687,385	

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
4. Park, parkway, and playground system in the District of Columbia	$462,984	$1,326,687	$1,219,480
Total obligations	1,016,789	2,500,000	1,219,480
Financing:			
Unobligated balance brought forward	−973,269	−1,206,480	−99,480
Unobligated balance carried forward	1,206,480	99,480	
Appropriation (new obligational authority)	1,250,000	1,393,000	1,120,000

The National Capital Planning Commission acquires land for the development of the park, parkway, and playground system in the District of Columbia and its environs.

4. *Park, parkway, and playground system in the District of Columbia.*—Land is also acquired in the District of Columbia, with all expenditures being repaid over a period of years by the District of Columbia.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2	2	2
Average number of all employees	2	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	8.0 $6,405	8.0 $6,405	8.0 $6,550
01 Personal services:			
Permanent positions	$11,867	$12,610	$12,910
Other personal services		49	49
Total personal services	11,867	12,659	12,959
02 Travel	100	100	100
04 Communication services		105	105
06 Printing and reproduction: Blueprinting, photostating, etc	603	775	775
07 Other contractual services		150	150
Services performed by other agencies		100	100
Real property title examinations	6,822	12,787	11,637
Real property surveys	10,715	32,000	28,250
Real property appraisals	2,967	8,824	7,924
08 Supplies and materials	577	600	600
09 Equipment		100	100
10 Lands and structures	816,138	1,745,000	1,155,980
11 Grants, subsidies, and contributions		800	800
Grants to Maryland	167,000	686,000	
Total obligations	1,016,789	2,500,000	1,219,480

Salaries and Expenses, Washington Regional Mass Transportation Survey

[Salaries and expenses, Washington regional mass transportation survey: The unobligated balance of appropriations heretofore granted under this head shall remain available until June 30, 1958: *Provided,* That the employment of not more than one person by contract or otherwise, pursuant to the third sentence of section 2 (c) of the Act of June 6, 1924, as amended by the Act of July 19, 1952 (66 Stat. 783), may be extended for an additional year.] (*66 Stat. 781; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Transportation survey (total obligations)	$205,713	$39,333	
Financing:			
Unobligated balance no longer available	39,333		
New obligational authority	245,046	39,333	
New obligational authority:			
Appropriation	$200,000		
Reappropriation	45,046	$39,333	

The final phases of the mass transportation survey will be concluded by June 30, 1958.

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NATIONAL CAPITAL PLANNING COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, WASHINGTON REGIONAL MASS TRANSPORTATION SURVEY—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	7	2	
Full-time equivalent of all other positions	1		
Average number of all employees	4	2	
Number of employees at end of year	6	0	
Average GS grade and salary	8.4 $6,080	9.5 $7,587	
01 Personal services:			
Permanent positions	$39,536	$5,800	
Positions other than permanent	21,635	3,901	
Total personal services	61,171	9,701	
02 Travel	2,452	1,375	
04 Communication services	467	630	
06 Printing and reproduction	1,163	22,000	
Blueprinting, photostating, etc	580	841	
07 Other contractual services	117,090	3,740	
Services performed by other agencies	21,950	158	
08 Supplies and materials	568	583	
11 Grants, subsidies, and contributions		305	
15 Taxes and assessments	272		
Total obligations	205,713	39,333	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous services for Department of Commerce, Bureau of Public Roads (total obligations)		$30,000	
Financing:			
Advances and reimbursements from other accounts		30,000	

Object Classification

Total number of permanent positions		1	
Full-time equivalent of all other positions		1	
Average number of all employees		2	
Number of employees at end of year		0	
Average GS grade and salary		5.0 $4,075	
01 Personal services:			
Permanent positions		$3,599	
Positions other than permanent		10,340	
Total personal services		13,939	
02 Travel		1,730	
07 Other contractual services		12,260	
Services performed by other agencies		1,915	
11 Grants, subsidies, and contributions		156	
Total obligations		30,000	

Proposed for later transmission:

LAND ACQUISITION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
George Washington Memorial Parkways (total obligations)		$3,400,000	
Financing:			
Proposed supplemental appropriation		3,400,000	

Under existing legislation, 1958.—Estimates will be submitted after the Senate Interior and Insular Affairs Committee makes the report requested during consideration of the 1958 budget.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Extension of stream valley parkways into nearby Maryland			$751,000
Financing:			
Proposed supplemental appropriation			751,000

Under proposed legislation, 1959.—Legislation is pending which would authorize additional Federal contributions to the Maryland stream valley program. The anticipated supplemental of $751,000 will be matched by $1,500,000 in State funds.

NATIONAL LABOR RELATIONS BOARD

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U. S. C. 141–167), and other laws, including expenses of attendance at meetings concerned with the work of the Board when specifically authorized by the Chairman or the General Counsel; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); [$9,384,800] *$9,985,000*: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2 (3) of the Act of July 5, 1935 (29 U. S. C. 152), and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3 (f) of the Act of June 25, 1938 (29 U. S. C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, non-profit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes. (*47 U. S. C. 222, Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriation 1958, **$9,384,800** Estimate 1959, **$9,985,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Field investigations	$5,506,269	$5,761,000	$6,024,900
2. Trial examiner hearing	694,189	752,600	806,500
3. Board adjudication	1,177,247	1,259,550	1,350,000
4. Securing of compliance with Board orders	1,571,489	1,611,650	1,803,600
Total obligations	8,949,194	9,384,800	9,985,000
Financing:			
Unobligated balance no longer available	2,306		
Appropriation (new obligational authority)	8,951,500	9,384,800	9,985,000

The Board resolves representation disputes and remedies unfair labor practices by employers and unions.

1. *Field investigation.*—Charges of unfair labor practices and petitions for elections to resolve representation disputes are investigated in the regional office in which they are filed. About 87% of the unfair labor practice cases and 77% of the election cases are closed by settlement, dismissal, or withdrawal without the need for public hearing or further formal action. The balance is prepared for public hearing.

Filings of unfair labor practice charges have been increasing and will result in an increase in number of cases

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pending at the end of 1958 as compared to the number pending at the end of 1957. Additional funds are provided in 1959 to reduce the pending caseload during 1959 to the 1957 end-of-year level.

2. *Trial examiner hearing.*—Trial examiners conduct public hearings as the basis of findings and recommendations in intermediate reports. In 1957, there were 238 reports issued; for 1958, the estimate is 285; for 1959, 325.

3. *Board adjudication.*—In unfair labor practice cases, the trial examiner's intermediate report becomes the Board order, if no exceptions are filed within 20 days. Exceptions are filed to approximately 80% of these reports and are referred to the Board for decision. In contested representation cases the Board may either order an election to determine the choice of bargaining representative or dismiss the case.

DECISIONS ISSUED BY THE BOARD

	1957 actual	*1958 estimate*	*1959 estimate*
Unfair labor practice	154	225	350
Representation	1,474	1,400	1,375

4. *Securing of compliance with Board orders.*—If the parties do not voluntarily comply with orders, the Board must request the courts to enforce its decision. Most contested decisions involve unfair labor practices. In 1957, there were 54 Board decisions of all kinds requiring court litigation; for 1958, the estimate is 78; and for 1959, 85.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,206	1,162	1,220
Full-time equivalent of all other positions	1	1	1
Average number of all employees	1,125	1,127	1,182
Number of employees at end of year	1,151	1,139	1,197
Average GS grade and salary	8.8 $6,625	8.9 $6,710	8.9 $6,671
01 Personal services:			
Permanent positions	$7,517,076	$7,624,545	$7,973,500
Positions other than permanent	6,536	4,500	4,500
Other personal services	34,729	50,930	53,575
Total personal services	7,558,341	7,679,975	8,031,575
02 Travel	538,397	531,450	636,000
03 Transportation of things	32,685	31,000	40,000
04 Communication services	235,375	237,600	246,950
05 Rents and utility services	33,509	35,850	37,000
06 Printing and reproduction	135,826	100,300	165,050
07 Other contractual services	208,777	191,950	207,925
Services performed by other agencies	13,969	15,850	17,450
08 Supplies and materials	92,160	91,000	100,150
09 Equipment	89,247	23,200	28,500
11 Grants, subsidies, and contributions		438,325	465,300
13 Refunds, awards, and indemnities	1,493	1,000	
15 Taxes and assessments	9,415	7,300	9,100
Total obligations	8,949,194	9,384,800	9,985,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Trial examiner hearing (total obligations)	$40,665	$42,300	$42,300
Financing:			
Advances and reimbursements from other accounts	40,665	42,300	42,300

Object Classification

Average number of all employees	3	3	3
Average GS grade and salary	15.0 $12,240	15.0 $12,263	15.0 $12,263
01 Personal services: Permanent positions	$37,033	$37,300	$37,300
02 Travel	3,632	2,600	2,600
11 Grants, subsidies, and contributions		2,400	2,400
Total obligations	40,665	42,300	42,300

NATIONAL MEDIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the National Mediation Board, including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $520,000. (*45 U. S. C. 154; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$520,000** Estimate 1959, **$520,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Mediation	$426,181	$479,000	$479,000
2. Administration	37,000	41,000	41,000
Total obligations	463,181	520,000	520,000
Financing:			
Unobligated balance no longer available	12,319		
New obligational authority	475,500	520,000	520,000
New obligational authority:			
Appropriation	$460,000	$520,000	$520,000
Transferred from "Salaries and expenses," National Railroad Adjustment Board (71 Stat. 183)	15,500		
Appropriation (adjusted)	475,500	520,000	520,000

The Board mediates labor disputes and determines collective-bargaining representatives for the 700 carriers and 1.5 million employees in the railroad and airline industries. Workload is expected to remain relatively stable.

MEDIATION CASES

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Cases pending, start of year	197	243	304	300
Cases received during year	500	550	500	500
Cases closed during year	454	489	504	500
Cases pending, end of year	243	304	300	300

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	39	40	40
Average number of all employees	36	40	40
Number of employees at end of year	36	40	40
Average GS grade and salary	11.3 $8,159	11.2 $7,980	11.2 $8,016
01 Personal services:			
Permanent positions	$336,785	$353,550	$353,550
Other personal services		1,150	1,150
Total personal services	336,785	354,700	354,700
02 Travel	104,279	120,000	120,000
03 Transportation of things	50	50	50
04 Communication services	13,904	13,550	13,550
06 Printing and reproduction	4,233	3,000	3,000
07 Other contractual services		2,700	2,700
08 Supplies and materials	3,608	2,500	2,500
09 Equipment	322		
11 Grants, subsidies, and contributions		23,500	23,500
Total obligations	463,181	520,000	520,000

ARBITRATION AND EMERGENCY BOARDS

[Arbitration and emergency boards:] For expenses necessary for arbitration boards established under section 7 of the Railway Labor Act, as amended (45 U. S. C. 157), and emergency boards appointed by the President pursuant to section 10 of said Act (45 U. S. C. 160), including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $250,000. (*45 U. S. C. 154; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$250,000** Estimate 1959, **$250,000**

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NATIONAL MEDIATION BOARD—Continued

Current authorizations—Continued

ARBITRATION AND EMERGENCY BOARDS—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Voluntary arbitration	$175,255	$166,000	$166,000
2. Investigations of emergency disputes	50,962	54,000	84,000
Total obligations	226,217	220,000	250,000
Financing:			
Unobligated balance no longer available	23,783	30,000	
Appropriation (new obligational authority)	250,000	250,000	250,000

1. *Voluntary arbitration.*—When mediation fails, the parties are urged to submit their differences to arbitration or special adjustment boards, including neutral members paid from this account.

2. *Investigation of emergency disputes.*—The President, when notified of disputes which threaten seriously to interrupt service, appoints an emergency board to investigate and report on the dispute as a basis for agreement.

NUMBER OF BOARDS

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Arbitration boards	6	12	12	12
Special adjustment boards	42	54	75	75
Emergency boards	5	3	3	3

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	10	10	10
Number of employees at end of year	8	11	11
01 Personal services: Positions other than permanent	$180,578	$173,000	$198,000
02 Travel	24,771	30,000	35,000
05 Rents and utility services	17,163	15,000	15,000
06 Printing and reproduction	1,500	2,000	2,000
07 Other contractual services	2,205		
Total obligations	226,217	220,000	250,000

NATIONAL RAILROAD ADJUSTMENT BOARD

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the National Railroad Adjustment Board, including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $525,000, of which not less than [$155,000] *$172,000* shall be available for compensation (at rates not in excess of $75 per diem) and expenses of referees appointed pursuant to section 3 of the Railway Labor Act, as amended. *(45 U. S. C. 153; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$525,000** Estimate 1959, **$525,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Adjustment of grievances:			
(a) Train service employees	$157,790	$178,500	$178,500
(b) Shop employees	114,966	116,500	116,500
(c) Other nonoperating employees	161,273	180,600	180,600
(d) Marine employees	42,110	49,400	49,400
Total obligations	476,139	525,000	525,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	†$10,361		
New obligational authority	486,500	$525,000	$525,000
New obligational authority:			
Appropriation	$502,000	$525,000	$525,000
Transferred to "Salaries and expenses," National Mediation Board (71 Stat. 183)	−15,500		
Appropriation (adjusted)	486,500	525,000	525,000

Railroad employee grievances resulting from application of collective bargaining contracts may be brought for settlement to the 36-man board composed of 4 divisions. Each division has an equal number of carrier and union representatives paid by the parties and handles the grievances of a particular type of employee. The appropriation provides clerical assistance to the Board and neutral referees to sit with divisions of the Board when they are deadlocked.

WORKLOAD

Cases	*1956 actual*	*1957 actual*	*1958 estimate*	*1959 estimate*
Pending, beginning of year	3,724	4,707	4,317	4,662
Received during year	2,409	1,992	2,070	2,115
Closed during year	1,426	2,382	1,725	1,940
Pending, end of year	4,707	4,317	4,662	4,837

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	49	50	50
Full-time equivalent of all other positions	7	7	8
Average number of all employees	55	56	58
Number of employees at end of year	65	61	62
Average GS grade and salary	7.2 $5,230	7.2 $5,155	7.2 $5,214
01 Personal services:			
Permanent positions	$252,784	$254,000	$257,000
Positions other than permanent	126,881	129,600	144,600
Other personal services		1,000	1,000
Total personal services	379,665	384,600	402,600
02 Travel	23,669	24,500	26,500
03 Transportation of things	81	100	100
04 Communication services	8,728	8,500	8,700
06 Printing and reproduction	48,594	69,000	49,000
07 Other contractual services	3,320	3,000	3,500
08 Supplies and materials	5,988	6,000	6,000
09 Equipment	4,632	9,800	9,100
11 Grants, subsidies, and contributions		17,100	17,100
15 Taxes and assessments	1,462	2,400	2,400
Total obligations	476,139	525,000	525,000

NATIONAL SCIENCE FOUNDATION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U. S. C. 1861–1875), including award of graduate fellowships; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; hire of passenger motor vehicles; not to exceed [$175,000] *$325,000* for expenses of travel; not to exceed $350 for the purchase of newspapers and periodicals; and reimbursement of the General Services Administration for security guard services; [$40,000,000] *$140,000,000,* to remain available until expended: *Provided,* That of the foregoing amount not less than $9,500,000 shall be available for tuition, grants, and allowances in connection with a program of supplementary training for high school science and mathematics teachers. *(Independent Offices Appropriation Act, 1958.)*

Appropriated 1958, **$40,000,000** Estimate 1959, **$140,000,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Support of science:			
(*a*) Grants and contracts	$21,580,733	$24,029,612	$55,069,000
(*b*) Program development, operation and evaluation	1,067,455	1,188,271	1,680,000
2. Support of scientific manpower:			
(*a*) Grants and contracts	14,698,298	14,804,877	79,730,000
(*b*) Program development, operation and evaluation	601,488	706,663	2,140,000
3. Executive direction and management	682,017	823,110	1,381,000
Total obligations	38,629,991	41,552,533	140,000,000
Financing:			
Unobligated balance brought forward	−182,524	−1,552,533	
Unobligated balance carried forward	1,552,533		
Appropriation (new obligational authority)	40,000,000	40,000,000	140,000,000

The Foundation supports basic research, education in the sciences, and the interchange of foreign and domestic scientific information. It is also responsible for developing and encouraging pursuit of a national policy for the promotion of basic research and education in the sciences, and for recommending to the President policies for strengthening the Nation's scientific effort. The increased appropriation will provide for support of a greater percentage of meritorious scientific research proposals; for additional facilities for fundamental scientific research; for making the results of research conducted in the United States and abroad more readily available within the scientific community; and particularly for increased emphasis on programs to improve science teaching and to increase the number of highly qualified research scientists in this country. A supplemental of $10 million is anticipated in 1958.

1. *Support of science—(a) Grants and contracts.*—The Foundation supports basic research projects, principally in institutions of higher learning.

GRANTS FOR SUPPORT OF BASIC RESEARCH PROJECTS

	1957 actual	*1958 estimate*	*1959 estimate*
Number of grants awarded	963	975	2,400

It also supports (1) basic research facilities at universities and other nonprofit institutions in such fields as astronomy, nuclear physics, electronic computation, and biology, (2) collecting, translating, cataloging, and disseminating information on the results of scientific research, and developing improved methods for the exchange of scientific data, and (3) studies of the status of research in the United States and foreign countries.

(*b*) *Program development, operation and evaluation.*—Includes costs related to developing, administering, and evaluating the above programs in support of science.

2. *Support of scientific manpower—(a) Grants and contracts.*—The Foundation supports (1) fellowships to graduate science students, college science faculty fellowships, summer fellowships for high school science and mathematics teachers, and summer study programs for college teaching assistants; (2) summer and academic-year institutes for the training of high school and college teachers of science and mathematics; (3) projects directed toward the improvement of high school and college science and mathematics course content; (4) activities to stimulate interest in and secure improvement of teaching and training at high school and college levels; (5) cooperative science education activities with scientists and educators of other nations; and (6) maintenance of the National Register of Scientific and Technical Personnel, and studies relating to supply, demand, and utilization of scientific manpower.

(*b*) *Program development, operation and evaluation.*—Includes costs related to developing, administering, and evaluating the above programs in support of scientific manpower.

Object Classification

	1957 actual	1958 estimate	1959 estimate
NATIONAL SCIENCE FOUNDATION			
Total number of permanent positions	266	293	454
Full-time equivalent of all other positions	10	4	4
Average number of all employees	235	289	424
Number of employees at end of year	317	350	510
Average GS grade and salary	8.1 $6,118	8.0 $6,012	8.0 $5,953
Average salary of ungraded positions	$13,486	$12,555	$11,680
01 Personal services:			
Permanent positions	$1,448,217	$1,725,630	$2,690,040
Positions other than permanent	63,684	24,260	34,250
Other personal services	93,453	135,760	180,060
Total personal services	1,605,354	1,885,650	2,904,350
02 Travel	141,602	196,595	325,000
03 Transportation of things	3,899	5,250	6,700
04 Communication services	58,026	60,000	87,000
05 Rents and utility services	1,708	2,668	9,000
06 Printing and reproduction	59,770	54,750	86,900
07 Other contractual services	3,745,790	4,717,521	8,420,305
Services performed by other agencies	113,849	145,900	450,300
08 Supplies and materials	33,346	35,350	114,945
09 Equipment	52,331	49,758	221,500
11 Grants, subsidies, and contributions	32,685,301	33,840,649	127,366,800
15 Taxes and assessments	4,351	5,489	7,200
Total, National Science Foundation	38,505,327	40,999,580	140,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	14	11	
Average number of all employees	9	8	
Number of employees at end of year	10		
Average GS grade and salary	7.2 $4,708	7.3 $4,825	
01 Personal services:			
Permanent positions	$38,916	$39,120	
Positions other than permanent	2,463	982	
Total personal services	41,379	40,102	
03 Transportation of things	25		
06 Printing and reproduction	910		
07 Other contractual services	81,648	512,851	
08 Supplies and materials	38		
09 Equipment	664		
Total, allocation accounts	124,664	552,953	
Total obligations	38,629,991	41,552,533	$140,000,000
Obligations are distributed as follows:			
National Science Foundation	$38,505,327	$40,999,580	$140,000,000
Library of Congress	22,765	4,852	
Department of the Army	101,899	548,101	

International Geophysical Year

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Geophysical research related to the earth's atmosphere:			
(*a*) Basic atmospheric research	$2,957,420	$4,457,792	$81,000
(*b*) Earth satellite exploration of the upper atmosphere	8,816,571	8,139,834	21,000
2. Geophysical research related to the planet earth	2,025,521	1,838,491	76,999
3. Related scientific support activities	907,131	1,922,248	94,787
4. Scientific direction and administration	330,255	374,800	284,500
Total obligations	15,036,898	16,733,165	558,286

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NATIONAL SCIENCE FOUNDATION—Continued

Current authorizations—Continued

INTERNATIONAL GEOPHYSICAL YEAR—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$32,373,962	−$17,337,064	−$603,899
Unobligated balance carried forward	17,337,064	603,899	45,613
Appropriation (new obligational authority)			

This appropriation supports the United States program for the International Geophysical Year, a worldwide scientific undertaking involving concurrent research by more than 50 nations, beginning in 1957. The results of this research ultimately will benefit our international relations, national defense, agriculture, commerce, and industry. This undertaking involves securing and sharing on a multilateral basis scientific data which will assist our own technological advancement in such fields as weather forecasting and control, radio communication, navigation, and upper atmospheric flight.

1. *Geophysical research related to the earth's atmosphere*—(*a*) *Basic atmospheric research.*—Research into phenomena observable in the upper atmosphere, including studies of the aurora and airglow, cosmic rays, ionospheric physics, meteorology, and solar activity.

(*b*) *Earth satellite exploration of the upper atmosphere.*—Sustained observations of scientific phenomena in the region beyond the earth's atmosphere by means of recording and transmitting instruments contained in unmanned earth-circling satellites launched by rocket devices.

2. *Geophysical research related to the planet earth.*—Research into phenomena originating on or within the earth including studies of geomagnetism, glaciology, oceanography, seismology, gravity, and longitude and latitude measurements.

3. *Related scientific support activities.*—Scientific support activities related to the foregoing activities, such as preparation of maps of the Antarctic, communication networks, rocketry, and the center for storage and maintenance of scientific data gathered under the program are included in this activity.

Object Classification

	1957 actual	1958 estimate	1959 estimate
NATIONAL SCIENCE FOUNDATION			
Total number of permanent positions	6	7	7
Average number of all employees	6	7	7
Number of employees at end of year	6	7	7
Average GS grade and salary	8.6 $6,059	9.7 $7,029	9.7 $7,132
Average salary of ungraded positions	$14,500	$14,500	$14,500
01 Personal services:			
Permanent positions	$43,935	$51,380	$57,570
Other personal services	113	320	320
Total personal services	44,048	51,700	57,890
02 Travel	9,108	5,000	6,000
04 Communications services	199	200	200
06 Printing and reproduction	345	500	500
07 Other contractual services	132	150	150
Services performed by other agencies	3,857,678	245,914	122,655
08 Supplies and materials	38	50	50
09 Equipment	485	250	250
11 Grants, subsidies, and contributions	4,578,855	3,959,309	370,591
Total, National Science Foundation	8,490,888	4,263,073	558,286

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS			
07 Other contractual services	$6,546,010	$12,470,092	
Total obligations	15,036,898	16,733,165	$558,286
Obligations are distributed as follows:			
National Science Foundation	$8,490,888	$4,263,073	$558,286
National Bureau of Standards, Department of Commerce	150,571	1,819,726	
Coast and Geodetic Survey, Department of Commerce	685	905,555	
Department of the Navy	6,394,754	9,744,811	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows:
"Research and development," Department of the Navy.
"President's special international program."

Public enterprise funds:

RESEARCH AND DEVELOPMENT OF RUBBER PROGRAM

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Contracts and grants for support of rubber research by universities and other organizations	$437,100		
Expense of terminating operations of the Government rubber research laboratories	58,076		
Total program (obligations)	495,176		
Financing:			
Amounts becoming available:			
Reappropriation (70 Stat. 686)	500,000		
Unobligated balance no longer available	−4,824		
Financing applied to program	495,176		

Object Classification

02 Travel	$314		
03 Transportation of things	373		
04 Communication services	6		
07 Other contractual services: Services performed by other agencies	57,383		
11 Grants, subsidies, and contributions	437,100		
Total obligations	495,176		

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Support of science: Grants and contracts		$7,500,000	
2. Support of scientific manpower: Grants and contracts		2,500,000	
Total obligations		10,000,000	
Financing:			
Proposed supplemental appropriation		10,000,000	

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Under existing legislation, 1958.—An appropriation of $10 million is proposed for later transmission for 1958 to provide additional funds for grants to universities for basic research; for grants to improve education in the sciences; for grants to extend the translation of Russian scientific literature; and for other basic science purposes.

NATIONAL SECURITY TRAINING COMMISSION

Current authorizations:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
National Security Training Commission (total obligations)	$32,692		
Financing:			
Unobligated balance no longer available	17,308		
Appropriation (new obligational authority)	50,000		

Object Classification

Total number of permanent positions	4		
Average number of all employees	8		
Number of employees at end of year	6		
Average GS grade and salary	7.5 $5,641		
01 Personal services:			
Permanent positions	$21,003		
Positions other than permanent	7,100		
Total personal services	28,103		
02 Travel	2,765		
03 Transportation of things	26		
04 Communication services	585		
06 Printing and reproduction	873		
07 Other contractual services	191		
08 Supplies and materials	131		
15 Taxes and assessments	18		
Total obligations	32,692		

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

Permanent authorizations:

OLIVER WENDELL HOLMES DEVISE FUND

(Indefinite special account)

Appropriated (estimate) 1958, **$14,000** Estimate 1959, **$12,700**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Preparation of the history of the Supreme Court (total obligations)	$14,190	$43,195	$60,000
Financing:			
Unobligated balance brought forward	−433,502	−434,397	−405,202
Unobligated balance carried forward	434,397	405,202	357,902
Appropriation (new obligational authority)	15,085	14,000	12,700

The Oliver Wendell Holmes devise fund was established by 69 Stat. 533 to (1) prepare a history of the Supreme Court of the United States and, if deemed advisable, (2) finance an annual lecture or series of lectures and (3) publish a memorial volume of Justice Holmes' writings. Interest on the fund, and the principal if necessary, are available for these purposes. The current program is devoted primarily to the preparation of the history of the Supreme Court.

Object Classification

	1957 actual	1958 estimate	1959 estimate
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE			
07 Other contractual services: Services performed by other agencies (total obligations)	$13,000	$43,195	$60,000
ALLOCATION TO LIBRARY OF CONGRESS			
01 Personal services: Positions other than permanent	309		
02 Travel	741		
04 Communication services	19		
06 Printing and reproduction	42		
07 Other contractual services	79		
Total, Library of Congress	1,190		
Total obligations	14,190	43,195	60,000

PRESIDENT'S ADVISORY COMMISSION ON PRESIDENTIAL OFFICE SPACE

Current authorizations:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Presidential office space study (total obligations)	$11,551		
Financing:			
Unobligated balance no longer available	8,449		
Appropriation (new obligational authority)	20,000		

Object Classification

Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services:			
Positions other than permanent	$7,943		
Other personal services	423		
Total personal services	8,366		
02 Travel	1,208		
04 Communication services	78		
06 Printing and reproduction	848		
07 Other contractual services	477		
08 Supplies and materials	27		
09 Equipment	547		
Total obligations	11,551		

RAILROAD RETIREMENT BOARD

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES

(Trust fund)

[Salaries and expenses, Railroad Retirement Board (trust fund):] For expenses necessary for the Railroad Retirement Board, including [not to exceed $1,000 for] expenses of attendance at meetings concerned with the work of the Board, when specifically authorized by the Board, stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); [$8,150,000] *$8,450,000*, to be derived from the railroad retirement account. (*45 U. S. C., 228a–228r; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

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RAILROAD RETIREMENT BOARD—Continued

Current authorizations—Continued

LIMITATION ON SALARIES AND EXPENSES—Continued

(Trust fund)—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Maintenance of earnings accounts	$412,510	$454,058	$445,164
2. Processing claims	5,329,372	5,782,077	6,030,939
3. Maintenance of beneficiary rolls	841,682	904,051	962,253
4. Hearings and appeals	45,960	44,935	45,035
5. Actuarial services	122,718	158,256	152,000
6. Administration	699,501	806,623	814,609
Total obligations	7,451,743	8,150,000	8,450,000
Financing:			
Unobligated balance no longer available	148,257		
Limitation	7,600,000	8,150,000	8,450,000

The Board administers the railroad retirement system, financed by employer and employee taxes. This is for administrative expenses of the Board in the operation of this program, and is derived from the railroad retirement trust fund. This system provides annuities for age and disability and benefits for survivors.

1. *Maintenance of earnings accounts.*—Eligibility for and the amount of benefits are based on individual accounts of compensation. This workload fluctuates with the level of employment in the railroad industry, rates of turnover, and similar factors. The costs are shared on a measured basis with the railroad unemployment insurance program.

2. *Processing claims.*—Claims for annuities and benefits are adjudicated and certified for initial payment. The number tends to increase gradually each year, as more railroad workers, their spouses or survivors become entitled. Regular claims dispositions were 133,000 in 1957 and are estimated at 140,200 and 147,800 in 1958 and 1959.

3. *Maintenance of beneficiary rolls.*—Benefit payments must be authorized each month for those persons on the rolls who continue to remain eligible. The number of monthly benefit payments were 7,647,638 in 1957 and are estimated at 8,129,000 and 8,478,000 in 1958 and 1959 and will continue to increase annually.

4. *Hearings and appeals.*—Individuals whose claims for annuities or benefits are disallowed or who dispute the award have the right of appeal. Appeals dispositions were 201 in 1957 and are estimated at 190 in 1958 and 1959.

5. *Actuarial services.*—Actuarial studies and estimates are required by the Railroad Retirement Act to determine the adequacy of the tax rate to establish and maintain a sufficient reserve to meet all future payments.

6. *Administration.*—Except for administrative activities of the retirement program exclusively, the cost of administration is shared between the retirement and the railroad unemployment insurance programs on a measured basis.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,464	1,437	1,440
Full-time equivalent of all other positions	26	20	26
Average number of all employees	1,231	1,331	1,359
Number of employees at end of year	1,331	1,358	1,390
Average GS grade and salary	6.0 $4,616	6.0 $4,677	6.1 $4,683
01 Personal services:			
Permanent positions	$5,590,733	$6,122,623	$6,249,125
Positions other than permanent	81,070	62,353	81,732
Other personal services	343,333	98,953	132,566
Total personal services	6,015,136	6,283,929	6,463,423
02 Travel	$196,747	$216,946	$249,848
03 Transportation of things	14,742	14,742	14,742
04 Communication services	50,676	51,295	51,305
Penalty mail costs	295,564	313,500	324,000
05 Rents and utility services	400,143	423,015	435,851
06 Printing and reproduction	46,594	58,417	64,590
07 Other contractual services	119,832	128,125	139,244
Services performed by other agencies	90,944	107,604	111,053
08 Supplies and materials	117,952	120,282	120,354
09 Equipment	98,453	41,306	61,111
11 Grants, subsidies, and contributions		384,093	407,514
13 Refunds, awards, and indemnities	2,564	4,307	4,506
15 Taxes and assessments	2,396	2,439	2,459
Total obligations	7,451,743	8,150,000	8,450,000

RENEGOTIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Renegotiation Board, including expenses of attendance at meetings concerned with the purposes of this appropriation; hire of passenger motor vehicles; not to exceed [$50,000] *$40,000* for expenses of travel; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; [$3,000,000] *$2,900,000.* (*Act of Mar. 23, 1951, Public Law 9, as amended; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$3,000,000** Estimate 1959, **$2,900,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$490,285	$476,000	$463,000
2. Staff operations	837,073	793,000	771,000
3. Renegotiation operations (field)	2,210,410	1,731,000	1,666,000
Total obligations	3,537,768	3,000,000	2,900,000
Financing:			
Unobligated balance no longer available	137,232		
Appropriation (new obligational authority)	3,675,000	3,000,000	2,900,000

The Board conducts renegotiation with contractors to eliminate excessive profits in connection with procurement under the national defense program. All contractors and subcontractors who have any business subject to the act are required to file with the Board. The Board has recovered $610,330,855 in excessive profits from the date of its establishment through June 30, 1957. The act establishing this requirement expires December 31, 1958, but this will have no effect on the budget of the agency until later years.

1. *Executive direction.*—The Board is responsible for final action in all cases. This includes screening all filings involving renegotiable business over $1 million and requests for exemption.

2. *Staff operations.*—The headquarters staff furnishes technical advice and assistance to the Board and regional organization.

3. *Renegotiation operations (field).*—The three regional boards conduct renegotiation proceedings and make initial determinations. The field boards make the excessive profit determination in all cases involving less than $800,000 of renegotiable profits; however, this determination may be appealed to the statutory board. All determinations in cases involving more than $800,000 renegotiable profits are reviewed by the statutory board.

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CASE WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Filed	44,531	23,952	22,900	20,600
Assigned	2,239	1,393	1,350	1,350
Completed	2,644	2,192	1,600	1,600

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	478	360	348
Full-time equivalent of all other positions	1	2	2
Average number of all employees	438	342	330
Number of employees at end of year	359	340	328
Average GS grade and salary	9.3 $7,401	9.5 $7,548	9.4 $7,533
01 Personal services:			
Permanent positions	$3,315,083	$2,621,200	$2,531,500
Positions other than permanent	3,929	10,000	8,000
Other personal services	2,047	11,800	11,500
Total personal services	3,321,059	2,643,000	2,551,000
02 Travel	34,227	40,000	40,000
03 Transportation of things	13,140	2,000	2,000
04 Communication services	74,000	74,000	72,000
06 Printing and reproduction	17,637	15,000	15,000
07 Other contractual services	28,332	30,000	29,000
08 Supplies and materials	18,415	18,000	18,000
09 Equipment	27,492	5,000	5,000
11 Grants, subsidies, and contributions		170,000	165,000
15 Taxes and assessments	3,466	3,000	3,000
Total obligations	3,537,768	3,000,000	2,900,000

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Public enterprise funds:

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1958] *1959* for such Corporation, except as hereinafter provided: (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay:			
1. Land, land rights, and relocations	$1,953,676	$1,170,300	$578,800
2. Locks	31,464,136	16,051,100	819,300
3. Channels and canals	7,755,024	13,830,200	4,807,800
4. Roads and bridges	1,029,240	4,398,300	3,266,600
5. Navigation aids and related facilities	20,256	689,800	659,900
6. Permanent buildings and equipment	426,027	5,157,200	2,149,800
7. Engineering and design	1,072,682	396,300	312,400
8. Supervision and inspection	1,707,893	1,892,700	770,000
9. Operating costs capitalized during construction	284,592	554,000	1,217,800
Total applied costs	45,713,526	44,139,900	14,582,400
Changes in unapplied costs	640,525	277,500	−149,600
Total capital outlay	46,354,051	44,417,400	14,432,800
Operating costs:			
10. Operation of locks and canals and traffic control		120,000	641,000
11. Maintenance of navigation aids			77,000
12. Maintenance of plant and equipment		34,000	260,000
13. Administrative expenses (limitation)	284,592	400,000	440,000
14. Depreciation	4,994	5,000	705,000
15. Interest	945,285	3,499,975	4,532,200
Total operating costs	1,234,871	4,058,975	6,655,200
Accrued interest—deferred (−)	−945,285	−3,499,975	−3,332,200
Depreciation included above (−)	−4,994	−5,000	−705,000
Operating costs capitalized during construction (−)	−284,592	−554,000	−1,217,800
Total operating costs, funded			1,400,200
Total program costs, funded	46,354,051	44,417,400	15,833,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−$25,127,891	−$25,578,952	−$6,732,900
Total program (obligations)	21,226,160	18,838,448	9,100,100
Financing:			
Amounts becoming available:			
New authorization to expend from public debt receipts		35,000,000	
Revenue: Shipping tolls			1,500,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	30,427,585	9,201,425	25,362,977
Total amounts available	30,427,585	44,201,425	26,862,977
Unobligated balance carried forward (authorization to expend from public debt receipts)	−9,201,425	−25,362,977	−17,762,877
Financing applied to program	21,226,160	18,838,448	9,100,100

The Saint Lawrence Seaway Development Corporation, a wholly Government-owned enterprise, is responsible for the construction, operation, and maintenance of that part of the Saint Lawrence Seaway within the territorial limits of the United States (33 U. S. C. 981). Completion of the United States section of the seaway and the related navigation improvements being provided by the Saint Lawrence Seaway Authority of Canada, in conjunction with the power-development works being provided by the Power Authority of the State of New York and the Hydro-Electric Power Commission of Ontario, will afford a 27-foot navigation channel from Lake Erie to Montreal.

Budget program—Capital outlay.—The Corporation's construction program consists of a 10-mile canal, two locks, and navigation channels in the 46-mile International Rapids section of the Saint Lawrence River between Ogdensburg and Massena, and certain channel and related navigation works in the 68-mile Thousand Islands section between Lake Ontario and Ogdensburg.

The total construction cost of the United States share of the seaway, excluding interest during construction, is estimated at $125.9 million. Work estimated to cost $103.3 million will be completed by the end of 1958. Additional work to be accomplished during 1959 is estimated to cost $14.4 million. Principal emphasis will be placed on completion of the 27-foot depth channel in the Cornwall and Thousand Islands areas, and the high-level international highway bridge. The seaway will be 94% complete at the end of 1959, with $8.2 million, consisting largely of channel work, remaining to be accomplished after 1959.

Operating costs.—The Corporation will begin operating and maintaining the seaway for 14-foot draft traffic after the flooding of the power pool, scheduled for July 1, 1958. The operation of the seaway for full 27-foot draft navigation is scheduled for the spring of 1959.

Operating costs during the period of interim 14-foot draft navigation will be capitalized and included in the toll base. When the seaway is opened for 27-foot draft traffic in 1959, tolls will be assessed and the project will be considered in a regular operation and maintenance status.

Relation of costs to obligations.—The relationship is derived from year-end balances of unpaid undelivered orders as follows: 1956, $61,999,743; 1957, $36,871,852; 1958, $11,292,900; 1959, $4,560,000.

Financing.—The Corporation is authorized to borrow $140 million from the Treasury to finance the costs of the

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—Continued

Public enterprise funds—Continued

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FUND—Continued

seaway, of which $92.4 million will have been used by the end of 1958. It is estimated that $19 million will be used during 1959, leaving a balance of $28.6 million available to complete the seaway and for initial working capital.

Operating results and financial condition.—The expenses for 1959 are estimated at $6.7 million of which $440,000 represents administrative expenses. It is estimated that $4.6 million of the operating expenses will be capitalized. The balance of $2.1 million represents regular operating expenses.

Shipping toll revenues in 1959 are estimated at $1.5 million. These revenues will meet all funded expenses incurred after the seaway is opened for 27-foot draft traffic, including interest charges on the Corporation's borrowings.

Repayment of the Federal investment is scheduled to be accomplished within the statutory 50-year repayment period.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$47,299,336	$47,917,375	$17,765,000
Expense			1,400,200
Increase in selected working capital			4,667,000
Total gross expenditures	47,299,336	47,917,375	23,832,200
Receipts from operations (funds provided):			
Revenue			1,500,000
Accrued interest—deferred	945,285	3,499,975	3,332,200
Decrease in selected working capital	9,383,905	417,400	
Total receipts from operations	10,329,190	3,917,375	4,832,200
Budget expenditures	36,970,146	44,000,000	19,000,000

Revenue, Expense, and Retained Earnings

Revenue			$1,500,000
Operating expense	$1,234,871	$4,058,975	6,655,200
Operating costs capitalized during construction (−)	−1,234,871	−4,058,975	−4,555,000
Total expense (net)			2,100,200
Net loss (−) for the year (deficit (−), end of year)			−600,200

Financial Condition

Assets:			
Cash with Treasury and in banks	$178,616	$278,616	$278,616
Cash on hand	1,650	1,650	1,650
Accounts receivable	703,416		
Land, structures, and equipment, net	60,094,548	108,011,923	125,076,923
Total assets	60,978,230	108,292,189	125,357,189
Liabilities:			
Current	11,510,405	11,224,389	6,557,389
Accrued interest—deferred	1,167,825	4,667,800	8,000,000
Total liabilities	12,678,230	15,892,189	14,557,389
Government investment:			
Interest-bearing capital:			
Start of year	16,000,000	48,300,000	92,400,000
Borrowings from Treasury during year, net	32,300,000	44,100,000	19,000,000
End of year	48,300,000	92,400,000	111,400,000
Deficit (−)			−600,200
Total Government investment	48,300,000	92,400,000	110,799,800

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$4,850,412	$180,266	$280,266	$280,266
Budget authorization	89,000,000	56,700,000	47,600,000	28,600,000
Total unexpended balance	93,850,412	56,880,266	47,880,266	28,880,266
Obligated balance, net:				
Current liabilities	1,849,092	11,510,405	11,224,389	6,557,389
Unpaid undelivered orders	61,999,743	36,871,852	11,292,900	4,560,000
Accounts receivable, net (−)	−426,008	−703,416		
Total obligated balance	63,422,827	47,678,841	22,517,289	11,117,389
Unobligated balances	30,427,585	9,201,425	25,362,977	17,762,877

LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Not to exceed [$400,000] *$440,000* shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed [$1,000] *$2,000* for official entertainment expenses, to be expended upon the approval or authority of the Administrator: *Provided*, That said funds shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed [$50] *$100* per day. (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$284,592	$400,000	$440,000
Financing:			
Unobligated balance no longer available	40,408		
Limitation	325,000	400,000	440,000

Object Classification

		1957 actual		1958 estimate		1959 estimate	
	Total number of permanent positions	37		150		199	
	Full-time equivalent of all other positions	2		3		2	
	Average number of all employees	33		51		177	
	Number of employees at end of year	38		150		199	
	Average GS grade and salary	9.8	$7,303	8.7	$6,332	7.8	$5,722
01	Personal services:						
	Permanent positions	$258,347		$362,000		$903,000	
	Positions other than permanent	22,854		51,000		30,000	
	Other personal services	6,331		25,000		12,000	
	Total personal services	287,532		438,000		945,000	
	Deduct portion not chargeable to administrative expense limitation	72,847		147,000		605,000	
	Net personal services	214,685		291,000		340,000	
02	Travel	16,410		20,000		20,000	
03	Transportation of things	134		20,000		5,000	
04	Communication services	4,723		6,000		6,000	
05	Rents and utility services	15,597		16,000		4,000	
06	Printing and reproduction	6,830		7,000		15,000	
	Photographing	724		3,000		3,000	
07	Other contractual services	3,525		4,000		6,000	
	Services performed by other agencies	6,240		8,000		9,000	
08	Supplies and materials	4,754		6,000		6,000	
11	Grants, subsidies, and contributions	10,616		18,000		25,000	
15	Taxes and assessments	354		1,000		1,000	
	Total obligations	284,592		400,000		440,000	

SECURITIES AND EXCHANGE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses, including not to exceed $1,125 for the purchase of newspapers; not to exceed [$219,250] *$260,000* for expenses of travel; uniforms or allowances therefor, as authorized by law (*5 U. S. C. 2131*); and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C.

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55a); [$6,700,000] *$7,100,000. (15 U. S. C. 77a–77bbbb, 78a–78jj, 79–79z–6, 80a1–80a52, 80b1–80b21; 11 U. S. C. 501–676; 5 U. S. C. 1001–1011; 60 Stat. 810; Independent Offices Appropriation Act, 1958.)*

Appropriated 1958, **$6,700,000** Estimate 1959, **$7,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Full disclosure provisions	$1,372,226	$1,556,400	$1,609,500
2. Prevention and suppression of fraud	2,080,230	2,534,100	2,777,100
3. Supervision and regulation of securities markets	303,667	339,100	341,000
4. Regulation of investment and public utility holding companies	415,422	484,200	514,100
5. Corporate reorganizations	200,371	227,300	250,800
6. Operational and business statistics	154,133	192,400	196,800
7. Executive and staff functions	686,059	775,200	804,700
8. Administrative services	531,803	591,300	606,000
Total obligations	5,743,911	6,700,000	7,100,000
Financing:			
Unobligated balance no longer available	5,089		
Appropriation (new obligational authority)	5,749,000	6,700,000	7,100,000

The purpose of the Commission is to protect the interests of the investing public.

1. *Full disclosure provisions.*—Registration statements for the sale of securities and related reports are reviewed to secure compliance with statutory standards of fair disclosure. In 1957, 943 registration statements were filed at a dollar volume of $14.6 billion, an increase of 12% over 1956. Estimated filings for 1958 and 1959 are 975 and 1,025, respectively, with corresponding increases in dollar volume. Examinations, investigations, administrative proceedings, and proxy contests are also expected to increase in 1959 over 1958.

2. *Prevention and suppression of fraud.*—Suspected fraud, deceit, and manipulation in the sale and trading of securities is prevented or minimized by prompt investigation and through periodic inspection of the accounts of brokers and dealers. In 1957, 512 investigations were opened relating to violations of the securities acts. In 1958 and 1959, it is expected that 525 and 580 investigations, respectively, will be opened. A 2.8-year cycle for the broker-dealer inspection program will provide for 1,535 inspections in 1959.

3. *Supervision and regulation of securities markets.*—National securities exchanges including over-the-counter markets are regulated to maintain equitable principles of trade for the protection of the public investors. Short sales, stabilizing, floor trading, activities of specialists, and odd-lot dealers are subject to Commission regulation.

4. *Regulation of investment and public utility holding companies.*—Financing and other corporate matters of interstate public utility holding companies are regulated. Twenty-two holding company systems with assets of $11.1 billion comprising 293 companies are registered under the act. Foreign and domestic investment companies are registered and their activities supervised. The assets of registered investment companies have increased from $2.5 billion in 1941 to $15 billion in 1957. Forty-nine new investment companies registered under the act during 1957. In 1959, a regular program for the examination of the books and records of investment companies will be initiated.

5. *Corporate reorganizations.*—Independent expert assistance is provided in proceedings under the Bankruptcy Act. On June 30, 1957, the Commission was participating in reorganization proceedings involving 49 debtor corporations with assets of approximately $476 million. The number of new reorganization petitions filed in Federal courts increased from 61 in 1956 to 75 in 1957. It is estimated that the number of petitions will increase from 90 in 1958 to 105 in 1959.

6. *Operational and business statistics.*—Statistical and other data are prepared to provide the Commission and the staff with information needed to administer the securities laws and to produce certain financial data from information filed with the Commission as a part of the overall Government statistical and economic program.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	807	884	949
Full-time equivalent of all other positions	7	8	8
Average number of all employees	783	856	916
Number of employees at end of year	784	875	940
Average GS grade and salary	8.7 $6,503	8.9 $6,502	8.8 $6,486
01 Personal services:			
Permanent positions	$5,110,556	$5,545,950	$5,899,000
Positions other than permanent	31,694	43,500	63,000
Other personal services	40,696	41,800	38,000
Total personal services	5,182,946	5,631,250	6,000,000
02 Travel	183,856	219,250	260,000
03 Transportation of things	7,645	13,800	11,000
04 Communication services	142,826	148,000	150,000
05 Rents and utility services	12,434	13,600	20,000
06 Printing and reproduction	39,788	81,900	57,900
07 Other contractual services	54,661	104,000	94,000
08 Supplies and materials	72,230	76,000	79,000
09 Equipment	35,016	54,000	54,000
11 Grants, subsidies, and contributions		345,000	360,700
13 Refunds, awards, and indemnities	4,810	5,200	5,200
15 Taxes and assessments	7,699	8,000	8,200
Total obligations	5,743,911	6,700,000	7,100,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous services to other agencies (total obligations)	$18,222	$11,000	
Financing:			
Advances and reimbursements from other accounts	18,222	11,000	

Object Classification

Total number of permanent positions		3	2	
Average number of all employees		2	1	
Number of employees at end of year		1	1	
Average GS grade and salary	10.3	$7,760	8.5 $6,157	
01 Personal services: Permanent positions		18,222	11,000	

SELECTIVE SERVICE SYSTEM

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the operation and maintenance of the Selective Service System, as authorized by title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); travel expenses[; purchase of one passenger motor vehicle for replacement only at not to exceed $4,000]; not to exceed $250 for the purchase of newspapers and periodicals; [and] not to exceed [$80,000] *$72,000* for the National Selective Service Appeal Board; [$27,000,000] *and $19,000 for the National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists; $28,000,000*: *Provided*, [That of the foregoing amount $19,410,000 shall be available for

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SELECTIVE SERVICE SYSTEM—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

registration, classification, and induction activities of local boards: *Provided further,*] That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

Appropriations for the Selective Service System may *hereafter* be used for the destruction of records accumulated under the Selective Training and Service Act of 1940, as amended, by the Director of Selective Service after compliance with the procedures for the destruction of records prescribed pursuant to the Records Disposal Act of 1943, as amended (44 U. S. C. 366–380): *Provided*, That no records may be transferred to any other agency without the approval of the Director of Selective Service. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$27,000,000** Estimate 1959, **$28,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. National administration	$1,773,817	$1,692,300	$1,713,000
2. State administration	5,940,968	5,806,000	6,000,000
3. Registration, classification, and induction	20,674,714	19,410,000	20,196,000
4. Special boards:			
(*a*) National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists	137,508	19,700	19,000
(*b*) National Selective Service Appeal Board	55,606	72,000	72,000
Total obligations	28,582,613	27,000,000	28,000,000
Financing:			
Advances and reimbursements from non-Federal sources (5 U. S. C. 61 (b) and 40 U. S. C. 481 (c))	−5,994		
Unobligated balance no longer available	473,381		
Appropriation (new obligational authority)	29,050,000	27,000,000	28,000,000

The primary purpose of the Selective Service System is effective manpower utilization through classification under the Universal Military Training and Service Act. The System is responsible for supplying men to keep the Armed Forces at their authorized strength and to the extent that their needs are not met by voluntary enlistment. It will be required to supply an estimated 140,000 men for this purpose in 1959 as compared to approximately 130,000 in 1958 and 180,000 in 1957.

1. *National administration.*—The overall administration of the act including planning, training and records management is accomplished by the national headquarters and six regional field offices.

2. *State administration.*—Administration of the act within the several States is the responsibility of the 56 State headquarters operating under the policies determined by national headquarters.

3. *Registration, classification, and induction.*—These functions affecting more than 19,000,000 registrants are accomplished by the over 42,000 uncompensated citizens assisted by about 6,000 clerks at over 4,000 boards. These citizens determine who shall be deferred and for how long in the national interest in agriculture, industry, or other pursuits. They also determine the availability for military service of members of the Standby Reserve.

4. *Special boards—(a) National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists.*—This Committee acts in an advisory capacity to the Selective Service System. It is separately administered, but funds are furnished by the Selective Service System from its appropriation.

(*b*) *National Selective Service Appeal Board.*—This Board acts on the classification of registrants who have appealed to the President. It is under separate administration but the Selective Service System provides funds for its operation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5,845	5,603	5,617
Full-time equivalent of all other positions	742	850	900
Average number of all employees	6,344	5,885	5,956
Number of employees at end of year:			
Civilian employees	6,856	6,400	6,400
Military employees	308	280	280
Average GS grade and salary	4.9 $4,268	5.0 $4,387	5.0 $4,439
Average salary of ungraded positions	$3,277	$3,320	$3,320
01 Personal services:			
Permanent positions	$21,304,397	$19,813,900	$19,985,040
Positions other than permanent	2,232,708	2,040,000	2,093,120
Other personal services	74,377	132,390	135,340
Total personal services	23,611,482	21,986,290	22,213,500
02 Travel	710,416	562,618	725,500
Selectee travel	1,958,397	1,741,500	1,740,000
03 Transportation of things	86,485	49,600	79,200
04 Communication services	560,378	521,700	568,200
Penalty mail	458,586	452,930	458,600
05 Rents and utility services	85,278	87,600	89,000
06 Printing and reproduction	179,349	111,390	145,000
07 Other contractual services	278,818	211,485	275,150
08 Supplies and materials	292,942	167,420	302,450
09 Equipment	296,372	4,450	224,400
11 Grants, subsidies, and contributions		1,049,830	1,126,200
15 Taxes and assessments	64,110	53,187	52,800
Total obligations	28,582,613	27,000,000	28,000,000

[SMALL BUSINESS ADMINISTRATION]

Current authorizations:

[SALARIES AND EXPENSES]

[For necessary expenses, not otherwise provided for, of the Small Business Administration, including expenses of attendance at meetings concerned with the purposes of this appropriation and hire of passenger motor vehicles, $2,235,000; and in addition there may be transferred to this appropriation not to exceed $6,877,000 from the revolving fund, Small Business Administration, and not to exceed $490,000 from the fund for liquidation of Reconstruction Finance Corporation Disaster Loans, Small Business Administration, for administrative expenses in connection with activities financed under said funds: *Provided*, That the amount authorized for transfer from the revolving fund, Small Business Administration, may be increased, with the approval of the Bureau of the Budget, by such amount as may be required to finance administrative expenses incurred in the making of disaster loans: *Provided further*, That the Committees on Appropriations of the House of Representatives and the Senate shall be notified in advance of such increases in transfers from the revolving fund.] (*15 U. S. C. 631 et seq.; 67 Stat. 232, as amended by 69 Stat. 225 and 547; 70 Stat. 10; 71 Stat. 4 and 341; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$2,235,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Procurement and technical assistance	$1,850,641	$2,235,000	
2. Financial assistance	5,439,489	7,058,500	
3. Liquidation of Reconstruction Finance Corporation loans	491,372	490,000	
Total obligations	7,781,502	9,783,500	
Financing:			
Unobligated balance no longer available	49,359		
Advances and reimbursements from other accounts	−5,930,861	−7,548,500	
Appropriation (new obligational authority)	1,900,000	2,235,000	

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The Small Business administration counsels, assists, and protects the interests of small business. In addition, it provides aid to business and homeowners who have suffered losses through natural disasters. Since existing statutory authority expires July 31, 1958, estimates for the 1959 program are included under proposed legislation. If the Congress approves the proposed extension of the basic authority, a request for funds for 1959 will be submitted at a later date.

1. *Procurement and technical assistance.*—The objectives of this activity are (1) to increase the small-business share in Government procurement through assistance to individual small businesses and by working with procurement agencies to set aside contracts for small business, and (2) to provide managerial and technical advice to small firms requesting assistance.

2. *Financial assistance.*—Small-business concerns and victims of natural disasters are aided through loans, which are administered so as to assure return of the Government investment. In addition, financial counseling is provided to small firms requesting assistance. Funds for administrative expenses of this activity are transferred from a revolving fund. Financial statements and a discussion of the lending activities of the agency are set forth under the revolving-fund appropriation, Small Business Administration.

3. *Liquidation of Reconstruction Finance Corporation loans.*—Disaster loans made by the Reconstruction Finance Corporation were transferred to this agency pursuant to Reorganization Plan No. 2 of 1954. As of September 30, 1957, there were 1,940 loans outstanding amounting to $6,319,401. This represents a reduction of 1,289 loans valued at $8,402,869 from those taken over on July 1, 1954. In addition, pursuant to Reorganization Plan No. 1 of 1957, Reconstruction Finance Corporation business loans amounting to more than $12,000,000 were transferred to the Small Business Administration on June 30, 1957, for liquidation. Administrative expenses for this activity are also transferred from a revolving fund, made up of receipts from these loans.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,252	1,372	
	Full-time equivalent of all other positions	8	9	
	Average number of all employees	1,010	1,276	
	Number of employees at end of year	1,151	1,350	
	Average GS grade and salary	8.2 $6,087	8.1 $6,024	
01	Personal services:			
	Permanent positions	$6,154,198	$7,661,500	
	Positions other than permanent	38,525	45,000	
	Other personal services	143,498	83,500	
	Total personal services	6,336,221	7,790,000	
02	Travel	392,552	614,600	
03	Transportation of things	18,855	18,000	
04	Communication services	209,256	250,300	
05	Rents and utility services	23,522	158,000	
06	Printing and reproduction	83,493	92,500	
07	Other contractual services	132,095	169,900	
	Services performed by other agencies	82,377	78,300	
08	Supplies and materials	80,565	88,400	
09	Equipment	173,739	75,000	
11	Grants, subsidies, and contributions	234,115	431,500	
13	Refunds, awards, and indemnities	2,011	6,500	
15	Taxes and assessments	12,701	10,500	
	Total obligations	7,781,502	9,783,500	

Public enterprise funds:

[REVOLVING FUND]

NOTE.—All data shown apply only to Small Business Administration share of loans authorized, collected, etc.

[For additional capital for the revolving fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitations, $100,000,000.] *(15 U. S. C. 631 et seq.; 67 Stat. 232, as amended by 69 Stat. 225 and 547; 70 Stat. 10; 71 Stat. 4 and 341; Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$100,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loan commitments:			
Business loans:			
Direct	$45,207,253	$41,760,000	
Immediate participation	67,477,456	79,200,000	
Deferred participation	19,376,439	23,040,000	
Total business loans	132,061,148	144,000,000	
Loans converted to deferred participation	42,084		
Disaster loans	12,243,940	14,400,000	
Deferred participation business loans not expected to be purchased (−)	−12,975,831	−18,432,000	
Total commitments, net	131,371,341	139,968,000	
Administrative expenses	5,439,489	7,058,500	
Other costs and expense	26,447		
Total operational program	136,837,277	147,026,500	
Interest expense on funds expended	2,996,193	6,500,000	$8,017,000
Total program (obligations)	139,833,470	153,526,500	8,017,000
Financing:			
Amounts becoming available:			
Appropriation	95,000,000	100,000,000	
Receipts from operations:			
Principal collection on loans:			
Business loans	15,992,275	35,500,000	53,704,400
Disaster loans	5,414,771	5,500,000	6,277,700
Interest income on loans	5,183,217	10,000,000	12,994,000
Fee income on deferred participation loans	412,045	500,000	512,800
Loans converted between types	100,178		
Sale of acquired collateral	84,563		
Other credits	27,145		
Recovery of prior year obligations:			
Loan cancellations	14,811,073	13,944,000	
Repayments to banks on deferred participation disaster loans	149,645	424,000	449,000
Total amounts becoming available	137,174,912	165,868,000	73,937,900
Unobligated balance brought forward	6,767,540	4,108,982	16,450,482
Total amounts available	143,942,452	169,976,982	90,388,382
Unobligated balance transferred to schedule shown under "Proposed for later transmission" below			−82,371,382
Unobligated balance carried forward	−4,108,982	−16,450,482	
Financing applied to program	139,833,470	153,526,500	8,017,000

This fund finances the two types of lending activities of the Small Business Administration: (1) Business loans to small-business concerns and (2) disaster loans to business firms and homeowners who have suffered damage from floods or other catastrophes, including loans to business concerns in designated areas affected by drought which have suffered substantial economic injury as a result.

Appropriations of $320 million have been made to the revolving fund. Up to $430 million is authorized to provide funds for these lending activities, under which not to exceed $305 million may be outstanding at any one time for business loans and not to exceed $125 million may be outstanding for disaster loans. The position with respect to lending authority is as follows:

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[SMALL BUSINESS ADMINISTRATION]—Continued

Public enterprise funds—Continued

[REVOLVING FUND]—Continued

	1957 actual	*1958 estimate*
Business loans:		
Statutory limitation	$230,000,000	$305,000,000
Less—		
Investment in outstanding loans	107,434,296	192,834,296
Outstanding loan commitments:		
Deferred participation loans disbursed by banks	28,583,644	36,783,644
Undisbursed loan authorizations	52,237,721	40,637,721
Total outstanding loan commitments	80,821,365	77,421,365
Total charges against limitation	188,255,661	270,255,661
Balance of statutory limitation	41,744,339	34,744,339
Disaster loans:		
Statutory limitation	125,000,000	125,000,000
Less—		
Investment in outstanding loans	40,555,585	48,555,585
Outstanding loan commitments:		
Deferred participation loans disbursed by banks	1,657,330	1,342,815
Undisbursed loan authorizations	5,108,119	4,498,634
Total outstanding loan commitments	6,765,449	5,841,449
Total charges against limitation	47,321,034	54,397,034
Balance of statutory limitation	77,678,966	70,602,966

Budget program—Loan commitments—Business loans.—Business loans may be made directly or in participation with banks or other lending institutions, and shall be of such sound value or so secured as reasonably to assure repayment. No loan may be made unless the financial assistance applied for is not otherwise available on reasonable terms. No direct loan may be made unless it is shown that participation with a bank is not available and no immediate participation loan may be made unless it is shown that a deferred participation loan is not available. The Small Business Administration's participation in a loan is limited to 90%, and the agency's maximum commitment to any one borrower under either a participation or direct loan is limited to $250,000, except that in the case of a loan to a special corporation formed and capitalized by a group of small-business concerns, the maximum loan is $250,000 multiplied by the number of separate small businesses involved. Business loans, except for the purpose of constructing industrial facilities, are limited to a maturity of 10 years and bear interest at a maximum of 6% per annum.

Within the legislative authorizations, it is the policy to assist reliable, capable businessmen operating small firms to secure necessary credit for constructive purposes on terms that will meet the borrower's individual requirements. From the beginning of the lending program on September 29, 1953, through June 30, 1957, a total of 7,096 loans have been approved in a total amount of $324.8 million (including participating banks' share of $54.8 million). Almost 70% of these loans have been on a participation basis. The average size of loans approved to date is $45,770. In 1958, it is estimated that 3,600 loans will be approved compared to 3,536 loans in 1957.

The following tabulation reflects certain data on business loans and includes funds disbursed or collected by banks on participation loans. Accordingly, the Small Business Administration's share of disbursements, repayments, and loans outstanding will not agree with related data in the financial statements, which reflect transactions on the basis of only the Small Business Administration cash funds involved.

DATA ON BUSINESS LOANS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Loan commitments during the year:			
Total amount	$159.1	$175.9	------
Small Business Administration share	132.1	144.0	------
Loans outstanding June 30 held by banks or Small Business Administration:			
Total amount	164.6	274.4	$240.9
Small Business Administration share	136.0	229.6	202.2
Loan disbursements by banks or Small Business Administration:			
Total amount (estimate)	116.0	167.0	47.6
Small Business Administration share	95.9	141.2	40.6
Loan repayments to banks or Small Business Administration:			
Total amount (estimate)	29.3	57.2	81.1
Small Business Administration share (estimate)	24.3	47.6	68.0

Disaster loans.—No legislative restrictions exist on the amount which may be loaned to an individual or business suffering loss from a disaster. The maximum term for disaster loans is 20 years and the interest rate may not exceed 3% on the Small Business Administration's share of the loan. Through June 30, 1957, a total of 6,149 loans for $66 million has been approved. In view of the unpredictable nature of this program, it is impossible to estimate the volume of new loans which may be committed in 1958. For budgetary purposes, a nominal amount of $14.4 million in new commitments has been assumed, which would represent 1,400 loans based on the average size of loans approved through 1957; 1,597 were approved in 1957.

DATA ON DISASTER LOANS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Loan commitments during the year:			
Total amount	$13.0	$14.4	-----
Small Business Administration share	12.2	14.4	-----
Loans outstanding June 30, held by banks or Small Business Administration:			
Total amount	44.4	52.4	$50.0
Small Business Administration share	42.2	49.9	47.7
Loan disbursements by banks or Small Business Administration:			
Total amount (estimate)	13.9	14.2	4.6
Small Business Administration share	13.2	13.6	4.5
Loan repayments to banks or Small Business Administration:			
Total amount (estimate)	5.8	6.2	7.0
Small Business Administration share (estimate)	5.5	5.9	6.7

Deferred participation business loans not expected to be purchased.—This reduction in loan commitments reflects the current policy of commiting funds for only 20% of the agency's share of deferred participation loans, since experience shows that only a small portion of its share of such loans will be purchased.

Administrative expenses.—Administrative expenses are financed by transfer of funds from the revolving fund to the appropriation for salaries and expenses.

Financing.—Since existing statutory authority expires on July 31, 1958, a detailed estimate for 1959 has not been included herein. If the Congress approves an extension of the basic authority of the agency, a request for funds for 1959 will be submitted at a later date. Amounts shown in the various schedules and statements for 1959 reflect the liquidation of activity attributable to prior year operations.

Operating results and financial condition.—The cumulative deficit from operations through June 30, 1958, will be greater than on June 30, 1957. Income from low interest disaster loans and from a large number of relatively small business loans is not sufficient to cover expenses of the lending program, including interest payable to the Treasury on the net amount expended from the fund.

The net investment of the Government is expected to increase $93.8 million during 1958.

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Disbursements on loans:			
Business loans	$81,638,924	$120,900,000	$36,402,617
Disaster loans	12,190,155	13,500,000	4,498,634
Expense	8,462,129	13,558,500	8,017,000
Total gross expenditures	102,291,208	147,958,500	48,918,251
Receipts from operations (funds provided):			
Loan repayments	21,407,046	41,000,000	59,982,100
Revenue	5,595,262	10,500,000	13,506,800
Loans converted between types	100,178		
Sale of acquired collateral	84,563		
Other credits	27,145		
Decrease in selected working capital	653,714	963,000	1,020,800
Total receipts from operations	27,867,908	52,463,000	74,509,700
Budget expenditures	74,423,300	95,495,500	−25,591,449

Revenue, Expense, and Retained Earnings

Revenue	$5,595,262	$10,500,000	$13,506,800
Expense	10,669,421	16,719,900	8,756,200
Net operating income or loss (−) for the year	−5,074,159	−6,219,900	4,750,600
Nonoperating income:			
Proceeds from sale of acquired collateral	84,563		
Net book value of assets sold (−)	−60,382		
Net nonoperating income	24,181		
Net income or loss (−) for the year	−5,049,978	−6,219,900	4,750,600
Deficit (−), beginning of year	−9,154,972	−14,204,950	−20,424,850
Deficit (−), end of year	−14,204,950	−20,424,850	−15,674,250

Financial Condition

Assets:			
Cash with Treasury	$64,442,521	$68,947,021	$94,538,470
Accounts receivable	1,521,032	1,621,032	1,721,032
Loans receivable, net	143,075,778	233,373,778	213,574,829
Other assets, net	90,697	90,697	90,697
Total assets	209,130,028	304,032,528	309,925,028
Liabilities:			
Current	3,119,290	4,182,290	5,303,090
Reserve for contingent losses	215,688	275,088	296,188
Total liabilities	3,334,978	4,457,378	5,599,278
Government investment:			
Interest-bearing capital:			
Start of year	75,944,954	141,986,090	230,423,090
Interest-bearing expenditures during year	66,041,136	88,437,000	−25,591,449
End of year	141,986,090	230,423,090	204,831,641
Non-interest-bearing capital:			
Start of year	49,055,046	78,013,910	89,576,910
Appropriations during year	95,000,000	100,000,000	
Less: Interest-bearing expenditures during year	66,041,136	88,437,000	−25,591,449
End of year	78,013,910	89,576,910	115,168,359
Total capital	220,000,000	320,000,000	320,000,000
Deficit (−)	−14,204,950	−20,424,850	−15,674,250
Total Government investment	205,795,050	299,575,150	304,325,750

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$43,865,821	$64,442,521	$68,947,021	$94,538,470
Unobligated balance transferred to schedule shown under "Proposed for later transmission" below (−)				−82,371,382
Obligated balance, net:				
Current liabilities	1,489,890	3,119,290	4,182,290	5,303,090
Undisbursed loan authorizations and commitments	36,153,737	58,735,281	49,935,281	8,585,030
Accounts receivable (−)	−545,346	−1,521,032	−1,621,032	−1,721,032
Total obligated balance	37,098,281	60,333,539	52,496,539	12,167,088
Unobligated balance	6,767,540	4,108,982	16,450,482	

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services: Reimbursement to "Salaries and expenses," Small Business Administration	$5,439,489	$7,058,500	
14 Interest expense on appropriated funds expended	2,996,193	6,500,000	$8,017,000
16 Investments and loans	131,397,788	139,968,000	
Total obligations	139,833,470	153,526,500	8,017,000

Liquidation of Reconstruction Finance Corporation Loans

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administrative expenses	$491,372	$963,000	$816,000
Other costs and expense	23,014	21,500	16,500
Total operational program	514,386	984,500	832,500
Interest on borrowings from Treasury	162,905	83,000	11,500
Total program (obligations)	677,291	1,067,500	844,000
Financing:			
Amounts becoming available:			
Receipts from operations:			
Principal collections on loans:			
Business loans		4,400,000	3,500,000
Disaster loans	2,251,664	2,025,000	1,800,000
Interest income on loans	235,875	715,000	570,000
Sale of acquired collateral and other assets	4,678		
Other credits and income	45,311	25,000	35,000
Recovery of prior year obligations (repayments to banks on deferred participation business loans)		200,000	200,000
Total amounts becoming available	2,537,528	7,365,000	6,105,000
Transfer of unobligated balance from Reconstruction Finance Corporation pursuant to Reorganization Plan No. 1 of 1957		2,380,960	
Unobligated balance brought forward	32,509	−82,254	2,596,206
Total amounts available	2,570,037	9,663,706	8,701,206
Capital transfer (repayment of investment to Treasury) (−)			−4,100,000
Repayment of borrowings to Treasury (−)	−1,975,000	−6,000,000	−1,150,000
Unobligated balance carried forward	82,254	−2,596,206	−2,607,206
Financing applied to program	677,291	1,067,500	844,000

Under section 3 of Reorganization Plan No. 2 of 1954, outstanding disaster loans made by the Reconstruction Finance Corporation were transferred on July 1, 1954, to the Small Business Administration for administration and liquidation.

Under Reorganization Plan No. 1 of 1957, certain net business loan assets of the Reconstruction Finance Corporation liquidation fund, Treasury, were transferred to the Small Business Administration as follows:

Cash	$2,324,053
Loans receivable, net	12,627,048
Working capital	2,143,505
Net Government investment	17,094,606
Undisbursed loan obligations	2,086,598

Budget program.—Assets to be liquidated amounted to $20.8 million at June 30, 1957, including business loans transferred. As a result of liquidating activities, it is anticipated that the value of assets remaining will have been reduced to $14.4 million by June 30, 1958.

Financing.—Liquidating proceeds are used for authorized administrative expenses and for repayment of the investment of the Government. Liquidation transactions in 1957 produced net budget receipts of $1.9 million and it is estimated that transactions in 1958 will produce net budget receipts of $6.1 million. These will be used to repay the note payable to the Treasury assumed in connection with the transfer of disaster loans.

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[SMALL BUSINESS ADMINISTRATION]—Continued

Public enterprise funds—Continued

LIQUIDATION OF RECONSTRUCTION FINANCE CORPORATION LOANS—Continued

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$677,291	$1,067,500	$844,000
Increase in selected working capital	2,591	2,177,005	33,000
Total gross expenditures	679,882	3,244,505	877,000
Receipts from operations (funds provided):			
Loans repaid	2,251,664	6,425,000	5,300,000
Revenue	236,652	715,000	570,000
Sale of acquired collateral and other assets	4,678		
Other credits	44,534	25,000	35,000
Working capital transferred from "Reconstruction Finance Corporation, liquidation fund," Treasury		2,143,505	
Total receipts from operations	2,537,528	9,308,505	5,905,000
Budget expenditures	−1,857,646	−6,064,000	−5,028,000

Revenue, Expense, and Retained Earnings

Revenue	$236,652	$715,000	$570,000
Expense	655,379	1,046,000	827,500
Net operating loss (−) for the year	−418,727	−331,000	−257,500
Nonoperating income:			
Proceeds from sale of acquired collateral	4,678		
Net book value of assets sold (−)	−4,637		
Net nonoperating income	41		
Net loss (−) for the year	−418,686	−331,000	−257,500
Deficit (−), beginning of year	−933,157	−1,351,843	−1,682,843
Deficit (−), end of year	−1,351,843	−1,682,843	−1,940,343

Financial Condition

Assets:			
Cash with Treasury	$40,436	$2,428,489	$2,206,489
Accounts receivable	43,084	640,728	639,228
Collateral acquired in liquidation of loans		1,695,258	1,695,258
Loans receivable, net	5,769,308	11,972,856	6,674,356
Other assets, net	110,742	105,742	85,742
Total assets	5,963,570	16,843,073	11,301,073
Liabilities:			
Current	165,774	281,671	247,171
Government investment:			
Interest-bearing capital:			
Start of year	9,125,000	7,150,000	1,150,000
Repayment of borrowings to Treasury	−1,975,000	−6,000,000	−1,150,000
End of year	7,150,000	1,150,000	
Non-interest-bearing capital:			
Start of year		−361	17,094,245
Net accountability for assets transferred from "Reconstruction Finance Corporation liquidation fund, Treasury," pursuant to Reorganization Plan No. 1 of 1957		17,094,606	
Donations of property to other agencies	−361		
Repayment of investment to Treasury (−)			−4,100,000
End of year	−361	17,094,245	12,994,245
Total capital	7,149,639	18,244,245	12,994,245
Deficit (−)	−1,351,843	−1,682,843	−1,940,343
Total Government investment	5,797,796	16,561,402	11,053,902

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$157,790	$40,436	$2,428,489	$2,206,489
Obligated balance, net:				
Current liabilities	188,005	165,774	281,671	247,171
Undisbursed loan obligations			1,886,598	1,686,598
Accounts receivable, etc., net (−)	−62,724	−43,084	−2,335,986	−2,334,486
Total obligated balance	125,281	122,690	−167,717	−400,717
Unobligated balance	32,509	−82,254	2,596,206	2,607,206

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions		50	
	Average number of all employees		42	
	Number of employees at end of year		44	
	Average GS grade and salary		9.4 $7,193	
01	Personal services:			
	Permanent positions		$315,800	
	Other personal services		1,200	
	Total personal services		317,000	
02	Travel		50,000	
03	Transportation of things		5,000	
04	Communication services		5,000	
06	Printing and reproduction		1,000	
07	Other contractual services		7,000	
	Reimbursement to "Salaries and expenses," Small Business Administration	$491,372	490,000	$816,000
	Fee counsel		65,000	
08	Supplies and materials		2,000	
11	Grants, subsidies, and contributions		20,000	
14	Interest	162,905	83,000	11,500
15	Taxes and assessments		1,000	
16	Investments and loans	23,014	21,500	16,500
	Total obligations	677,291	1,067,500	844,000
	Obligations are distributed as follows:			
	Portion chargeable to authorization to transfer to "Salaries and expenses," Small Business Administration	$491,372	$490,000	$816,000
	Portion chargeable to transfer from "Administrative expenses, Reconstruction Finance Corporation Liquidation, Treasury" (Reorganization Plan No. 1 of 1957)		408,000	
	Other program costs and expenses (object classes 07 (fee counsel), 14, and 16)	185,919	169,500	28,000

REVOLVING FUND, SMALL DEFENSE PLANTS ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Increase in allowance for losses on accounts receivable (total program (obligations))	$298		
Financing:			
Unobligated balance brought forward	1,368,655	$107,620	
Capital transfer (repayment of investment to Treasury (−))	−1,260,737	−107,620	
Unobligated balance carried forward	−107,620		
Financing applied to program	298		

This fund was created to finance the taking of prime contracts by the Small Defense Plants Administration from other Government agencies and subcontracting the work to small manufacturers. Authority to use the fund expired at the end of 1955 and it is now in liquidation. During 1958 it is anticipated that collection will be made of $107,620 of receivables from other Government agencies for goods delivered under prime contracts entered into. This amount will be paid to the Treasury as a return of capital investment, after which the remaining receivables due from subcontractors will be written off against reserves established to cover such possible losses and the fund closed out with a net loss to the Government of $131,643.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied)			
Receipts from operations (funds provided):			
Decrease in selected working capital	$4,306	$107,620	
Budget expenditures	−4,306	−107,620	

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Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue			
Expense	$298		
Net loss (−) for the year	−298		
Deficit (−), beginning of year	−131,345	−$131,643	
Deficit (−), end of year	−131,643	−131,643	

Financial Condition

Assets:			
Accounts receivable, net	$107,620		
Government investment:			
Non-interest-bearing capital:			
Start of year	1,500,000	$239,263	
Repayment of investment to Treasury (−)	−1,260,737	−107,620	
End of year	239,263	131,643	
Deficit (−)	−131,643	−131,643	
Total Government investment	107,620		

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$1,256,431			
Obligated balance: Accounts receivable, net (−)	−112,224	−$107,620		
Unobligated balance	1,368,655	107,620		

Object Classification

	1957 actual	1958 estimate	1959 estimate
16 Investments and loans	$298		

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Procurement and technical assistance			$2,500,000
2. Small-business statistics			300,000
Total obligations			2,800,000
Financing:			
Proposed supplemental appropriation			2,800,000

REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loan commitments:			
Business loans:			
Direct			$41,760,000
Immediate participation			79,200,000
Deferred participation			23,040,000
Total business loans			144,000,000
Disaster loans			14,400,000
Deferred participation business loans not expected to be purchased (−)			−18,432,000
Total commitments, net			139,968,000
Administrative expenses			7,300,000
Total operational program			147,268,000
Interest expense on funds expended			983,000
Total program (obligations)			148,251,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Proposed supplemental appropriation			$50,000,000
Receipts from operations:			
Principal collection on loans			1,017,900
Cancellation of loan commitments			13,944,000
Interest income on loans			856,000
Fee income on deferred participation loans			62,200
Total amounts becoming available			65,880,100
Unobligated balance transferred from schedule shown under "Revolving Fund, Small Business Administration" above			82,371,382
Total amounts available			148,251,482
Unobligated balance carried forward			−482
Financing applied to program			148,251,000

Under proposed legislation, 1959.—Appropriations totaling $52,800,000 for 1959 are proposed for later transmission to continue the small-business assistance programs, including an additional $50,000,000 for the lending program revolving fund. The remaining $2,800,000 is for salaries and expenses, including a new program of small-business statistics. These requests are contingent upon approval by the Congress of proposed legislation extending the basic statutory authority.

SMITHSONIAN INSTITUTION

Current authorizations:

SALARIES AND EXPENSES, SMITHSONIAN INSTITUTION

[Salaries and expenses, Smithsonian Institution:] For all necessary expenses for the preservation, exhibition, and increase of collections from the surveying and exploring expeditions of the Government and from other sources; for the system of international exchanges between the United States and foreign countries; for anthropological researches among the American Indians and the natives of lands under the jurisdiction or protection of the United States, independently or in cooperation with State, educational, and scientific organizations in the United States, and the excavation and preservation of archeological remains; for maintenance of the Astrophysical Observatory and making necessary observations in high altitudes; for the administration of the National Collection of Fine Arts; for the administration, construction, and maintenance of laboratory and other facilities on Barro Colorado Island, Canal Zone, under the provisions of the Act of July 2, 1940, as amended by the provisions of Reorganization Plan Numbered 3 of 1946; for the maintenance and administration of a national air museum as authorized by the Act of August 12, 1946 (20 U. S. C. 77); including not to exceed $35,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed [$46,725] *$52,525* for expenses of travel; [not to exceed $45,000 for rents, pending opening of the Museum of History and Technology;] purchase, repair, and cleaning of uniforms for guards and elevator conductors; repairs and alterations of buildings and approaches; and preparation of manuscripts, drawings, and illustrations for publications; [$6,000,000] *$7,355,000. (5 U. S. C. 1105–1133, 2091–2098; 20 U. S. C. 41–79e; 36 U. S. C. 20; 44 U. S. C. 139a; 14 Stat. 573; 25 Stat. 640, 1465; 26 Stat. 963; 50 Stat. 51, sec. 6c; 69 Stat. 189; 70 Stat. 740, 743–761; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$6,000,000** Estimate 1959, **$7,355,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Management	$81,010	$83,000	$83,000
2. Operation of—			
United States National Museum	1,770,049	2,726,219	4,336,315
Bureau of American Ethnology	61,891	61,135	61,135
Astrophysical Observatory	302,510	366,328	366,328
National Collection of Fine Arts	48,185	53,625	53,625
National Air Museum	120,156	128,517	128,517
Canal Zone Biological Area	30,274	37,066	37,066
International Exchange Service	87,513	77,933	77,933

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SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, SMITHSONIAN INSTITUTION—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
3. General services:			
Maintenance and operation of buildings	$1,442,364	$1,748,044	$1,492,948
Other general services	467,562	718,133	718,133
Total obligations	4,411,514	6,000,000	7,355,000
Financing:			
Unobligated balance no longer available	13,486		
Appropriation (new obligational authority)	4,425,000	6,000,000	7,355,000

The Smithsonian Institution maintains public exhibits representative of the arts, American history, aeronautics, anthropology, geology, technology, and zoology; preserves for reference and study purposes millions of valuable items of scientific, cultural, and historical interest; conducts research in the natural sciences and in the history of cultures, technology, and the arts; and participates in the international exchange of scientific literature. The Institution operates 2 museums, 2 scientific bureaus, 2 art galleries, the Canal Zone Biological Area, and the International Exchange Service. It is responsible also for the operation and maintenance of five main exhibition buildings and a temporary storage facility (Suitland, Md.).

During the budget year, exhibit preparation for the new Museum of History and Technology will be accelerated, 5 exhibit renovation projects and 3 building rehabilitation projects will be completed, and building services will be improved. Visitors: 1955—3,895,017; 1956—4,145,591; 1957—4,841,818.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SMITHSONIAN INSTITUTION			
Total number of permanent positions	631	733	845
Full-time equivalent of all other positions	8	6	6
Average number of all employees	613	686	788
Number of employees at end of year	628	705	800
Average GS grade and salary	6.0 $4,950	6.2 $5,004	6.3 $5,014
Average salary of ungraded positions	$3,778	$3,816	$3,750
01 Personal services:			
Permanent positions	$2,797,817	$3,196,967	$3,642,682
Positions other than permanent	37,607	30,000	30,000
Other personal services	32,191	40,100	52,100
Total personal services	2,867,615	3,267,067	3,724,782
02 Travel	35,026	46,725	52,525
03 Transportation of things	53,313	57,775	61,450
04 Communication services	36,484	46,400	52,830
05 Rents and utility services	138,671	202,290	167,470
06 Printing and reproduction	150,060	173,805	184,760
07 Other contractual services	251,101	497,345	653,010
08 Supplies and materials	145,928	136,410	172,590
09 Equipment	242,345	566,983	1,440,383
11 Grants, subsidies, and contributions	0	189,600	189,600
13 Refunds, awards, and indemnities	642		
15 Taxes and assessments	4,970	5,600	5,600
Total, Smithsonian Institution	3,926,155	5,190,000	6,705,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	65	100	100
03 Transportation of things	291	300	300
04 Communication services	1	50	50
05 Printing and reproduction	3,478	5,000	4,500
07 Other contractual services	78,720	150,000	125,000
08 Supplies and materials	408	500	500
10 Lands and structures	402,396	654,050	519,550
Total, General Services Administration	485,359	810,000	650,000
Total obligations	4,411,514	6,000,000	7,355,000

[ADDITIONS TO THE NATURAL HISTORY BUILDING]

[Additions to the Natural History Building: For necessary expenses of preparing plans and specifications for additions on the east and west ends of the Natural History Building, as authorized by the Act of June 19, 1930 (46 Stat. 785), including incidental expenses of the Regents of the Smithsonian Institution, $800,000, to remain available until expended: *Provided*, That the preparation of the design, plans, and specifications for the additions and all work incidental thereto shall be under the supervision of the Administrator of the General Services Administration in accordance with provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 345).] (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning (total obligations)		$620,000	$80,000
Financing:			
Unobligated balance brought forward			−180,000
Unobligated balance carried forward		180,000	100,000
Appropriation (new obligational authority)		800,000	

Planning is continuing toward the construction of the additions to the Natural History Building.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SMITHSONIAN INSTITUTION			
Average number of all employees		2	2
Number of employees at end of year		2	2
01 Personal services: Positions other than permanent		$9,600	$9,600
02 Travel		2,000	2,000
03 Transportation of things		1,000	1,000
04 Communication services		2,000	2,000
07 Other contractual services		4,000	4,000
08 Supplies and materials		1,000	1,000
09 Equipment		5,000	5,000
15 Taxes and assessments		400	400
Total, Smithsonian Institution		25,000	25,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel		100	100
04 Communication services		200	200
06 Printing and reproduction		1,000	14,000
07 Other contractual services		593,700	40,700
Total, General Services Administration		595,000	55,000
Total obligations		620,000	80,000

MUSEUM OF HISTORY AND TECHNOLOGY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Planning, design, and supervision	$43,181	$291,856	$263,550
2. Construction			30,935,000
Total obligations	43,181	291,856	31,198,550
Financing:			
Unobligated balance brought forward	−887,900	−34,556,719	−34,264,863
Unobligated balance carried forward	34,556,719	34,264,863	3,066,313
Appropriation (new obligational authority)	33,712,000		

With funds previously appropriated, construction is expected to start in the winter of 1958–59 on the Museum of History and Technology. It will exhibit national historical and technological collections and will be located

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on the south side of Constitution Avenue between 12th and 14th Streets NW.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SMITHSONIAN INSTITUTION			
Average number of all employees	1	9	9
Number of employees at end of year	2	9	9
01 Personal services: Positions other than permanent	$6,519	$44,350	$44,350
02 Travel	8	30,000	30,000
04 Communication services	23	2,400	2,400
06 Printing and reproduction		3,000	3,000
07 Other contractual services	3,241	93,306	30,000
08 Supplies and materials		300	300
09 Equipment	226	20,500	500
15 Taxes and assessments	99	1,000	1,000
Total, Smithsonian Institution	10,116	194,856	111,550
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	26	100	200
03 Transportation of things		100	100
04 Communication services		200	200
06 Printing and reproduction	72	30,000	2,500
07 Other contractual services	32,967	66,600	149,000
10 Land and structures			30,935,000
Total, General Services Administration	33,065	97,000	31,087,000
Total obligations	43,181	291,856	31,198,550

Salaries and Expenses, National Gallery of Art

[Salaries and expenses, National Gallery of Art:] For the upkeep and operation of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards and elevator operators and uniforms, or allowances therefor for other employees as authorized by [the Act of September 1, 1954, as amended (68 Stat. 1114 and 69 Stat. 49)] *law (5 U. S. C. 2131)*; purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance and repair of buildings, approaches, and grounds; not to exceed $2,400 for expenses of travel; and not to exceed $15,000 for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper; [$1,645,000] *$1,674,000. (20 U. S. C. 71–75; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$1,645,000** Estimated 1959, **$1,674,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition, care, and exhibition of art objects	$214,848	$238,400	$244,200
2. Office of the secretary, treasurer, and general counsel	68,196	73,100	79,100
3. General administration:			
(*a*) General services	212,182	221,900	225,500
(*b*) Maintenance and operation of building and grounds	617,360	648,900	655,800
(*c*) Protection of works of art, building, and grounds	422,385	462,700	469,400
Total obligations	1,534,971	1,645,000	1,674,000
Financing:			
Unobligated balance no longer available	29		
Appropriation (new obligational authority)	1,535,000	1,645,000	1,674,000

The National Gallery of Art receives, holds, and administers works of art acquired for the Nation by its board of trustees, maintains and administers the Gallery building so as to give maximum care and protection to art treasures, and to enable these works of art to be exhibited regularly to the public without charge. Number of visitors: 1955—814,932; 1956—1,013,246; 1957—942,196.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	325	327	330
Full-time equivalent of all other positions	6	5	5
Average number of all employees	316	318	320
Number of employees at end of year	333	335	337
Average GS grade and salary	4.0 $4,078	4.2 $4.125	4.2 $4,138
Average salary of ungraded positions	$3,947	$3,987	$3,970
01 Personal services:			
Permanent positions	$1,248,538	$1,277,100	$1,287,500
Positions other than permanent	19,082	16,400	16,400
Other personal services	26,015	26,200	26,200
Total personal services	1,293,635	1,319,700	1,330,100
02 Travel	2,397	2,400	2,400
03 Transportation of things	591	600	600
04 Communication services	11,632	11,800	11,800
05 Rents and utility services:			
Electric current	84,828	85,000	85,000
Steam	65,000	72,300	72,300
06 Printing and reproduction	5,358	8,400	8,400
07 Other contractual services	22,063	26,800	38,000
Services performed by other agencies	616	600	600
08 Supplies and materials	31,294	32,900	35,400
09 Equipment	2,411	3,400	5,200
10 Lands and structures	13,500		
11 Grants, subsidies, and contributions		79,600	82,700
13 Refunds, awards, and indemnities	510	500	500
15 Taxes and assessments	1,136	1,000	1,000
Total obligations	1,534,971	1,645,000	1,674,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, SMITHSONIAN INSTITUTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Operations by activities:			
River basin archeological studies: Department of the Interior (total obligations)	$117,552	$167,587	
Financing:			
Unobligated balance brought forward	24,954	15,902	
Advances and reimbursements from other accounts	108,500	151,685	
Unobligated balance carried forward	−15,902		
Total financing	117,552	167,587	

Object Classification

Total number of permanent positions	14	16	
Full-time equivalent of all other positions	18	20	
Average number of all employees	32	34	
Number of employees at end of year	104	150	
Average GS grade and salary	6.5 $4,860	6.4 $4,688	
01 Personal services:			
Permanent positions	$51,613	$75,020	
Positions other than permanent	40,265	61,279	
Other personal services		288	
Total personal services	91,878	136,587	
02 Travel	11,211	12,000	
03 Transportation of things	296	500	
04 Communication services	261	300	
05 Rents and utility services	146	5,000	
07 Other contractual services	1,139	1,200	
08 Supplies and materials	8,352	8,000	
09 Equipment	4,269	4,000	
Total obligations	117,552	167,587	

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SUBVERSIVE ACTIVITIES CONTROL BOARD

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Subversive Activities Control Board, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), not to exceed $30,000 for expenses of travel, and not to exceed $500 for the purchase of newspapers and periodicals, $375,000. (*Sec. 12, title I, of the Internal Security Act of 1950, 50 U. S. C. 791, as amended; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$375,000** Estimate 1959, **$375,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Adjudication of cases	$245,885	$300,000	$300,000
2. Legal activities	37,909	45,000	47,000
3. Administrative services	31,591	30,000	28,000
Total obligations	315,385	375,000	375,000
Financing:			
Unobligated balance no longer available	34,615		
Appropriation (new obligational authority)	350,000	375,000	375,000

Upon petitions being filed, the Board holds formal hearings and determines whether: (1) organizations are "Communist-action organizations," "Communist-front organizations," or "Communist-infiltrated organizations"; (2) individuals are officers or members of a "Communist-action organization" or officers of a "Communist-front organization" and required to register as such; (3) the registration of particular "Communist-action organizations" or "Communist-front organizations" or of particular individuals should be canceled; and (4) a particular "Communist-infiltrated organization" has ceased to be a "Communist-infiltrated organization." To date the Board has heard only cases involving petitions against alleged Communist organizations. The Board issues a report setting forth its findings and an appropriate order.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	39	42	39
Average number of all employees	34	39	38
Number of employees at end of year	37	39	38
Average GS grade and salary	8.4 $6,375	8.4 $6,275	8.3 $6,231
01 Personal services:			
Permanent positions	$288,375	$317,100	$307,100
Other personal services	458	2,900	2,900
Total personal services	288,833	320,000	310,000
02 Travel	3,961	20,000	30,000
03 Transportation of things	51	50	50
04 Communication services	4,250	4,000	4,000
05 Rents and utility services			
06 Printing and reproduction	3,504	3,000	3,000
07 Other contractual services	4,079	1,400	1,400
Services performed by other agencies	2,919	3,000	3,000
08 Supplies and materials	3,501	2,500	2,500
09 Equipment	4,149	950	950
11 Grants, subsidies, and contributions		20,000	20,000
15 Taxes and assessments	138	100	100
Total obligations	315,385	375,000	375,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Operations and Financing

	1957 actual	1958 estimate	1959 estimate
Operations by activities:			
Adjudication of cases: Department of Justice (total obligations)	$3,319	$4,000	
Financing:			
Advances and reimbursements from other accounts	3,319	4,000	

Object Classification

01 Personal services: Positions other than permanent	$3,319	$4,000	

TARIFF COMMISSION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed $200), not to exceed [$20,000] *$25,000* for expenses of travel, and contract stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), [$1,700,000] *$1,810,000*: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof: *Provided further*, That that part of the foregoing appropriation which is for expenses of travel shall be available, when specifically authorized by the Chairman of the Tariff Commission, for expenses of attendance at meetings of organizations concerned with the functions and activities of the said Commission. (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,700,000** Estimate 1959, **$1,810,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research, investigations, and reports	$1,302,165	$1,425,300	$1,532,500
2. Executive direction and administration	269,980	274,700	277,500
Total obligations	1,572,145	1,700,000	1,810,000
Financing:			
Unobligated balance no longer available	2,855		
Appropriation (new obligational authority)	1,575,000	1,700,000	1,810,000

The Commission is charged with determining the impact of United States tariffs and trade policies on domestic industries and providing information, reports, and recommendations to the President, Congress, or public on these matters. The activities of the Commission in connection with "escape clause" and other investigations are expected to increase during the coming year. Therefore, requirements will be at a somewhat higher level even though the activities related to the study of tariff simplification will decline during the same period.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	233	221	238
Average number of all employees	211	215	229
Number of employees at end of year	214	216	231
Average GS grade and salary	8.6 $6,465	8.9 $6,663	8.9 $6,638
01 Personal services:			
Permanent positions	$1,470,087	$1,509,100	$1,596,300
Other personal services	2,572	8,300	8,700
Total personal services	1,472,659	1,517,400	1,605,000
02 Travel	15,670	20,000	25,000
03 Transportation of things	20	50	50
04 Communication services	7,781	7,750	9,000
Penalty mail	3,850	4,500	5,550
06 Printing and reproduction	10,542	9,000	10,000
07 Other contractual services	8,120	8,320	8,970
Services performed by other agencies	16,429	8,000	9,000
08 Supplies and materials	19,937	17,250	18,620
09 Equipment	16,926	13,500	16,000
11 Grants, subsidies, and contributions		94,030	102,610
15 Taxes and assessments	211	200	200
Total obligations	1,572,145	1,700,000	1,810,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Research, investigations, and reports (total obligations)	$16,166	$11,000	$11,000
Financing:			
Advances and reimbursements from other accounts	16,166	11,000	11,000

Object Classification

Total number of permanent positions		3		2		2
Average number of all employees		3		2		2
Number of employees at end of year		3		2		2
Average GS grade and salary	6.5	$5,063	5.0	$4,480	5.0	$4,615
01 Personal services:						
Permanent positions		$14,704		$8,950		$8,950
Other personal services				50		50
Total personal services		14,704		9,000		9,000
07 Other contractual services		50		30		30
08 Supplies and materials		1,412		1,400		1,380
11 Grants, subsidies, and contributions				570		590
Total obligations		16,166		11,000		11,000

TAX COURT OF THE UNITED STATES

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including contract stenographic reporting services, [$1,460,000] *$1,481,000: Provided,* That travel expenses of the judges shall be paid upon the written certificate of the judge. (*26 U. S. C. 7441–7446, 7447 (d), 7453, 7456 (a), 7459, 7460, 7461, 7462, 7471, 7472; 50 U. S. C. App. 1191 (e); Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, **$1,460,000** Estimate 1959, **$1,481,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration and adjudication (total obligations)	$1,303,790	$1,460,000	$1,481,000
Financing:			
Unobligated balance no longer available	61,210		
Appropriation (new obligational authority)	1,365,000	1,460,000	1,481,000

The Tax Court hears and decides cases involving tax deficiencies and claims for refunds of excess profits taxes under the special relief sections of the Internal Revenue Code, and cases involving determinations of excessive profits on contracts renegotiated by the Federal Government.

For 1959, the Court proposes a program of 160 weeks of trial sessions, to be held in approximately 50 major cities. This schedule of trial work should result in the closing of approximately 5,200 cases.

The actual and estimated work volume of the Court is presented in the following tabulation.

	1956 actual	*1957 actual*	*Percent* [1]	*1958 estimate*	*Percent* [1]	*1959 estimate*	*Percent* [1]
Filed	4,591	5,259	14.5	5,800	10.3	5,800	---
Reopened	145	144	−.7	150	4.1	150	---
Closed	4,992	4,645	−6.9	5,000	7.6	5,200	4.0
Pending at close of year	9,908	10,666	7.7	11,616	8.9	12,366	6.5

[1] Percentage increase or decrease (−) over previous year.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	151	151	150
Average number of all employees	141	149	146
Number of employees at end of year	145	151	150
Average GS grade and salary	7.4 $5,448	7.9 $5,622	8.0 $5,777
01 Personal services:			
Permanent positions	$1,020,753	$1,105,586	$1,105,661
Other personal services	123,614	123,414	139,039
Total personal services	1,144,367	1,229,000	1,244,700
02 Travel	36,845	40,000	40,000
03 Transportation of things	1,290	2,000	2,000
04 Communication services	6,412	7,000	11,000
Penalty and registered mail	6,030	8,000	8,000
05 Rents and utility services	6,390	7,500	7,500
06 Printing and reproduction	14,928	16,000	16,000
07 Other contractual services	23,369	31,500	31,500
Services performed by other agencies	2,875	3,000	4,300
08 Supplies and materials	19,043	19,000	19,000
09 Equipment	41,810	28,000	28,000
11 Grants, subsidies, and contributions		68,500	68,500
15 Taxes and assessments	431	500	500
Total obligations	1,303,790	1,460,000	1,481,000

TENNESSEE VALLEY AUTHORITY

Current authorizations:

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including *purchase (one) and* hire, maintenance, and operation of aircraft, and purchase (not to exceed two hundred for replacement only) and hire of passenger motor vehicles, [$13,317,000] *$16,850,000,* to remain available until expended. (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$13,317,000** Estimate 1959, **$16,850,000**

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds:

TENNESSEE VALLEY AUTHORITY FUND

Program and Financing

	Appropriated funds			Corporate funds			Total		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Program by activities:									
Operating costs:									
1. Navigation, flood control, and power program:									
Navigation operations	$2,806,215	$2,940,000	$2,986,000				$2,806,215	$2,940,000	$2,986,000
Flood control operations	2,650,162	2,810,000	2,809,000				2,650,162	2,810,000	2,809,000
Power operations				$176,605,747	$183,504,000	$195,708,000	176,605,747	183,504,000	195,708,000
Multipurpose reservoir operations not allocated above				315,191	280,000	280,000	315,191	280,000	280,000
Topographic mapping	108,788	211,000	211,000				108,788	211,000	211,000
2. Fertilizer, agricultural, and munitions program:									
Research on fertilizer products and processes	1,511,208	1,548,000	1,637,000				1,511,208	1,548,000	1,637,000
Fertilizer production and distribution				15,500,896	15,987,000	17,414,000	15,500,896	15,987,000	17,414,000
Fertilizer tests and demonstrations	1,122,016	1,206,000	1,279,000	370,416	413,000	429,000	1,492,432	1,619,000	1,708,000
Agricultural development projects	111,483	114,000	95,000				111,483	114,000	95,000
3. Watershed protection and improvement program	969,575	1,012,000	1,021,000				969,575	1,012,000	1,021,000
4. General service activities:									
Bridge maintenance, Public Law 562	4,268	8,000	12,000				4,268	8,000	12,000
Reimbursable services:									
Mapping services				1,093,117	1,062,000	951,000	1,093,117	1,062,000	951,000
Other				4,691,370	3,465,000	2,635,000	4,691,370	3,465,000	2,635,000
Total operating costs	9,283,715	9,849,000	10,050,000	198,576,737	204,711,000	217,417,000	207,860,452	214,560,000	227,467,000
Capital outlay:									
1. Navigation, flood control, and power program:									
Navigation facilities	7,595,147	14,907,000	10,141,000	649	79,000	133,000	7,595,796	14,986,000	10,274,000
Flood control facilities	266,814	609,000	167,000				266,814	609,000	167,000
Multipurpose dam			50,000						50,000
Power supply facilities	12,339,244	4,723,000	9,818,000	36,330,930	84,194,000	91,375,000	48,670,174	88,917,000	101,193,000
Transmission system facilities	−135,986			25,262,223	29,630,000	33,260,000	25,126,237	29,630,000	33,260,000
Additions and improvements at existing facilities	494,167	627,000	447,000	1,362,904	2,090,000	2,021,000	1,857,071	2,717,000	2,468,000
Investigations for future facilities	17,763	136,000	132,000	3,961	203,000	191,000	21,724	339,000	323,000
2. Fertilizer, agricultural, and munitions program: Chemical facilities	1,075,601	2,050,000	1,048,000				1,075,601	2,050,000	1,048,000
4. General service activities: General facilities	711,441	1,275,799	1,779,000				711,441	1,275,799	1,779,000
Total capital outlay	22,364,191	24,327,799	23,582,000	62,960,667	116,196,000	126,980,000	85,324,858	140,523,799	150,562,000
Property or services transferred in (−) without charge	−1,085						−1,085		
Total program costs	31,646,821	34,176,799	33,632,000	261,537,404	320,907,000	344,397,000	293,184,225	355,083,799	378,029,000
Depreciation included above (−)	−4,100,768	−4,215,000	−4,350,000	−42,135,477	−44,840,000	−47,090,000	−46,236,245	−49,055,000	−51,440,000
Total program costs, funded	27,546,053	29,961,799	29,282,000	219,401,927	276,067,000	297,307,000	246,947,980	306,028,799	326,589,000
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)	−2,536,988		−10,225,000		−2,598,000	−44,721,000	−2,536,988	−2,598,000	−54,946,000
Obligations incurred for costs of other years, net		8,834,000		57,885,669			57,885,669	8,834,000	
Total program (obligations)	25,009,065	38,795,799	19,057,000	277,287,596	273,469,000	252,586,000	302,296,661	312,264,799	271,643,000
Financing:									
Amounts becoming available:									
Appropriations	5,357,000	13,317,000	16,850,000				5,357,000	13,317,000	16,850,000
Revenues and receipts:									
Navigation operations				60,841	14,000	14,000	60,841	14,000	14,000
Power operations				234,749,416	240,043,000	253,712,000	234,749,416	240,043,000	253,712,000
Multipurpose reservoir operations				315,191	280,000	280,000	315,191	280,000	280,000
Fertilizer, agricultural and munitions development				15,867,058	16,429,000	17,814,000	15,867,058	16,429,000	17,814,000
Watershed protection and improvement				4,314	71,000	74,000	4,314	71,000	74,000
Reimbursable services				5,784,487	4,527,000	3,586,000	5,784,487	4,527,000	3,586,000
Other receipts				2,407,986	7,197,000	1,903,000	2,407,986	7,197,000	1,903,000
Total amounts becoming available	5,357,000	13,317,000	16,850,000	259,189,293	268,561,000	277,383,000	264,546,293	281,878,000	294,233,000
Unobligated balance brought forward	53,837,864	27,685,799	2,207,000	30,116,059	−20,990,975	−38,234,796	83,953,923	6,694,824	−36,027,796
Total amounts available	59,194,864	41,002,799	19,057,000	289,305,352	247,570,025	239,148,204	348,500,216	288,572,824	258,205,204
Unobligated balance rescinded	−6,500,000						−6,500,000		
Capital transfer (payments to Treasury) (−)				−33,008,731	−12,335,821	−2,063,000	−33,008,731	−12,335,821	−2,063,000
Unobligated balance carried forward	−27,685,799	−2,207,000		20,990,975	38,234,796	15,500,796	−6,694,824	36,027,796	15,500,796
Financing applied to program	25,009,065	38,795,799	19,057,000	277,287,596	273,469,000	252,586,000	302,296,661	312,264,799	271,643,000

The Tennessee Valley Authority was created by the Congress in 1933 for the unified development and conservation of the resources of a region comprising parts of seven States. To fulfill this responsibility, TVA merges a variety of activities into an integrated approach to the Tennessee Valley's resource-use problems. All these activities seek the proper use of land and water resources and the realization of the region's agricultural, forestry, and industrial potential.

TVA is a wholly owned Government corporation. Its programs are financed by appropriations and by proceeds from operations, principally the sale of electric power and fertilizer materials. Appropriations cover expenses of navigation and flood control operations, research on fertilizer and munitions, watershed protection and improvement activities, and a portion of capital plant additions. Proceeds (referred to in the accompanying schedules as corporate funds) are used in the business of generating,

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transmitting, and distributing electric energy, including related reservoir operating expenses; and in manufacturing and distributing fertilizer and fertilizer ingredients. Section 26 of the TVA Act, as amended, provides for payments into the Treasury of the United States of such proceeds as in the opinion of the TVA Board are not required for these purposes.

Budget program.—TVA activities are grouped into four major categories: (1) navigation, flood control and power program; (2) fertilizer, agricultural, and munitions program; (3) watershed protection and improvement program; and (4) general service activities. These programs are all interrelated and are conducted to enable the people of the Tennessee Valley to make full and effective use of the area's resources. Work methods encourage the enterprise of individual farmers and businessmen, and strengthen State and local institutions and agencies.

1. *Navigation, flood control, and power program.*—A major objective of the TVA Act is the integrated development and use of the Tennessee River system for navigation, flood control, and power. TVA system facilities serving these purposes consist of 26 major dams with hydroelectric generating stations, 10 navigation locks, 12 major fuel-electric generating stations, and a power transmission network of more than 11,000 circuit miles.

NAVIGATION—SUMMARY OF ESTIMATED OPERATING COSTS

	1959 estimate
Direct expenses	$220,000
Distribution of administrative and general expenses	25,000
Allocated from multipurpose reservoir operations	1,274,000
Depreciation on navigation facilities	664,000
Depreciation allocated from multipurpose reservoir operations	803,000
Total operating costs	2,986,000

The TVA Act assigns to TVA the primary Federal responsibility for improvement of the Tennessee River and its tributaries for navigation. The improved Tennessee River waterway provides a modern 9-foot channel from the mouth of the river to Knoxville, Tenn., a distance of 650 miles. Traffic on the Tennessee River system in 1956 was the highest of record—about 12.3 million tons and over 2 billion ton-miles. These figures were 23% greater than the record set in 1955. Transportation savings to shippers are estimated at $20 million, the difference in freight charges actually paid and those which would have obtained if the river had not been improved for navigation. Engineering work assures that physical facilities are operated, maintained, and modified to meet the needs of modern water-borne commerce. Technical studies appraise the opportunities for and barriers to use of the waterway. Data supplied to shippers and carriers help solve transportation problems, looking to full utilization of the Federal investment in the waterway.

Capital outlay costs for navigation facilities in 1959 are estimated at $10,274,000 and provide primarily for continuing construction of a new lock at Wilson Dam, Alabama, started in 1957, scheduled to be in service in April 1959, and to be completed by June 1960. Total estimated cost is $35,000,000, of which $23,035,000 will have been expended by June 30, 1958.

FLOOD CONTROL—SUMMARY OF OPERATING COSTS

	1959 estimate
Direct expenses	$262,000
Distribution of administrative and general expenses	15,000
Allocated from multipurpose reservoir operations	1,285,000
Depreciation on flood control facilities	325,000
Depreciation allocated from multipurpose reservoir operations	922,000
Total operating costs	2,809,000

Operation of the flood control system on the Tennessee River consists principally of (1) maintaining and using storage space in upstream reservoirs for seasonal retention of excessive runoff, and (2) regulating the discharges from reservoirs to rates of flow which can be handled safely by downstream channels and reservoirs. The dams on the Tennessee River and its tributaries provide 11,803,000 acre-feet of storage for flood control at the beginning of the flood season. The system averts damage in the Tennessee Valley and also reduces flood crests on the lower Ohio and Mississippi Rivers. Flood heights at Cairo, Ill., can be reduced from 2 to 4 feet, affording regulation on the Mississippi River as far south as the mouth of the Red River. Estimated average benefits of the TVA flood control system are about $11 million a year in terms of flood damages prevented. As a supplement to the operation of its system of reservoirs for flood control, TVA's work includes collection and analysis of flood data; studies to improve operations of the existing system; studies of potential flood control projects; and technical advice and assistance to State and local agencies to encourage their assumption of responsibility for solution of local urban and rural flood control problems.

The 1959 estimate of capital outlay costs for flood control facilities is $167,000 to continue purchase of scattered land and land rights in the Norris Reservoir for downstream flood protection purposes.

Multipurpose dam—Estimated capital outlay.—The estimates for 1959 include $50,000 for preliminary design studies for the Melton Hill Dam and Reservoir on the Clinch River, near Oak Ridge, Tenn., about 57 miles downstream from Norris Dam. This project, with an estimated total cost of $35 million, will extend the 9-foot navigation channel to Clinton, Tenn., and will provide rated power generating capacity of 72,000 kilowatts.

Power—Summary of estimated operations.—TVA power operations are confined to generation and transmission of power and sale of energy at wholesale to local distribution systems and to a small number of industries and Government agencies requiring large amounts of power. Power is distributed by 150 local public agencies and 2 small privately owned utility companies. As of June 30, 1957, the installed capacity of the system was 9,889,485 kilowatts (nameplate rating), including plants of the Department of the Army on the Cumberland River and of the Aluminum Company of America on the Little Tennessee River operated as a part of the TVA system. Total system input in 1959 is estimated to be about 66.8 billion kilowatt-hours, about 3.6 billion kilowatt-hours greater than the energy supplied to the system in 1957 and about 3.4 billion kilowatt-hours above the estimated supply in 1958. Net income from power operations, after depreciation, for 1959 is estimated to be $58 million, representing a return on the average investment in the power program during 1959 of about 3¾%. The estimates assume average streamflow conditions for both 1958 and 1959. Under significantly subnormal streamflows, such as have been experienced in the recent past, the net income would be noticeably reduced by increases in production expense.

POWER—SUMMARY OF REVENUES AND OPERATING COSTS

	1957 actual	*1958 estimate*	*1959 estimate*
Revenues and receipts:			
Sales of electric energy (outside)	$232,800,910	$236,150,000	$249,740,000
Other income	1,948,506	3,893,000	3,972,000
Total revenues and receipts	234,749,416	240,043,000	253,712,000
Operating costs:			
Production and transmission (including allocation from multipurpose reservoir operations)	123,386,801	126,935,000	135,738,000
Payments in lieu of taxes	4,744,401	5,276,000	6,160,000
Other operating expenses	9,310,401	9,463,000	9,730,000
Provision for depreciation	41,254,203	44,000,000	46,250,000
Total costs	178,695,806	185,674,000	197,878,000
Less interdivisional sales and rents	2,090,059	2,170,000	2,170,000
Total operating costs	176,605,747	183,504,000	195,708,000
Net income	58,143,669	56,539,000	58,004,000

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

POWER—SUMMARY OF ESTIMATED CAPITAL OUTLAY—PRESENTLY SCHEDULED

	Appropriated funds	*Corporate funds*	*Total*
Power supply facilities:			
Generating units under construction:			
Cleanup of construction of generating units authorized from appropriated funds	$9,818,000		$9,818,000
Gallatin units 3-4		$37,509,000	37,509,000
John Sevier unit 4		436,000	436,000
Johnsonville units 7-10		20,430,000	20,430,000
Generating unit—presently scheduled: Widows Creek unit 7		33,000,000	33,000,000
Total power supply facilities—presently scheduled	9,818,000	91,375,000	101,193,000
Transmission system facilities		33,260,000	33,260,000

The 1959 estimate includes costs of $91,375,000 financed from corporate funds for continuing construction of 8 steam-electric generating units at existing projects, including 1 unit on which construction is presently scheduled to be initiated in 1958. The corporate funds used for this purpose are to be derived from power revenues—the only source of funds presently available for financing these units. Legislation is pending to permit issuance of revenue bonds to supplement power revenues to provide funds to finance generating capacity. On enactment of such legislation, it may be desirable to issue bonds to pay for part of the costs of these units. Power supply facilities under construction and presently scheduled, including these 8 additional units at existing projects, and facilities being installed by the Department of the Army at the Cumberland River projects (Old Hickory and Cheatham) and by the Aluminum Company of America at the Chilhowee project on the Little Tennessee River will increase the system nameplate capacity to 11,245,485 kilowatts by the end of 1959 and to 11,745,485 kilowatts at the end of 1960. After allowing for such factors as machine outages and the effects of drawdown of storage reservoirs, this system could carry a load of about 11,250,000 kilowatts in the winter of 1960–61. TVA system demands at that time are estimated to be equal to the system load-carrying ability. Present estimates indicate that additional electric generating units with total capacity ranging between 600,000 and 1,200,000 kilowatts will be required to carry safely the loads in the winter of 1961–62. Since it is too early to reach firm conclusions as to the capacity which should be available 4 years hence, provision is made in the budget, under proposed legislation, for revenue bond financing to the extent of $125 million for the construction of new electric generating units with a capacity totaling about 600,000 kilowatts. A reappraisal of requirements will be made after the Congress has acted on revenue bond financing legislation to determine whether additional new electric generating units are required.

The estimate of $33,260,000 for transmission system facilities provides for necessary additions, improvements, and replacements in the TVA transmission system.

Topographic mapping of the Valley serves TVA's planning, construction, and operating needs and meets the standards of the Geological Survey for nationwide map coverage. The scheduled mapping carried on cooperatively with the Geological Survey covers 765 quadrangles (about 46,000 square miles). As of June 30, 1957, 613 quadrangles (about 37,000 square miles) were completed and printed. To continue work on this activity, operating costs of $211,000 are planned in 1959.

2. *Fertilizer, agricultural, and munitions program.*—TVA chemical facilities at Wilson Dam, Ala., form a laboratory and experimental center for developing new or improved fertilizers and processes for their manufacture. The facilities have equal importance for defense purposes. Total program operating costs, including related administrative and general expenses and depreciation on chemical facilities, are $20,854,000. Revenue, primarily from the sale of fertilizer products, is estimated at $17,814,000.

Research on fertilizer products and processes consists of (1) exploratory tests, background research, and applied research at the laboratory level; and (2) process development. The latter includes technical and economic evaluation of research results; design, construction, and operation of pilot plants; improvement of design features and operating procedures of demonstration plants; and preparation of engineering and economic studies to facilitate application of the findings by other agencies and industries. Knowledge gained in fertilizer research is applied also to the related field of munitions. Estimated costs for this work in 1959 are $1,637,000.

TVA builds and operates fertilizer and munitions facilities to serve the following purposes: (1) to demonstrate the technical and commercial feasibility of new or improved fertilizer processes and to encourage their adoption by industry; (2) to supply these fertilizers for test-demonstration use on practical farms and for widespread educational purposes among farmers; and (3) to supply munitions materials for national defense. New or improved fertilizers are sold to farmers for educational purposes through cooperative and industry distributors. These distributors in turn furnish TVA data concerning distribution costs and farmer acceptance. Estimated fertilizer production in 1959 is as follows: concentrated superphosphate, 25,000 tons; calcium metaphosphate, 80,000 tons; ammonium nitrate, 110,000 tons; ammonium phosphate-nitrate, 15,000 tons; diammonium phosphate, 30,000 tons; and leached zone fertilizer, 10,000 tons. Estimated cost of fertilizer production and distribution in 1959 is $17,414,000 and revenue is estimated at $17,471,000.

Cooperative fertilizer tests and demonstrations are of three principal types: (1) laboratory and field plot tests to determine under controlled conditions the relative efficiency of TVA fertilizers; (2) studies and demonstrations aimed at developing more efficient and economical ways of distributing and applying fertilizer; and (3) farm test-demonstrations of fertilizer use. Major objectives of this third activity are to introduce TVA experimental fertilizers and demonstrate their uses to farmers and to improve the Valley's agriculture, forestry, and watershed-streamflow relationships. Farm test-demonstrations will be conducted on 3,570 farms in 31 States in 1959. Farmer payments for TVA fertilizer used in the test-demonstrations will total $338,000. Costs of the 3 activities in 1959 are estimated at $1,708,000.

Agricultural development projects encourage the full development and use of the agricultural resources of the Tennessee Valley consistent with sound conservation practices. Research and demonstrations are carried out cooperatively with the land-grant colleges on some of the more urgent agricultural problems of the region in order to utilize State personnel and facilities in regional development as widely as possible and to encourage State institutions to assume wider responsibility for regional research. The 1959 estimate for agricultural development projects is $95,000.

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Capital outlay costs for chemical facilities are estimated at $1,048,000 in 1959. This estimate covers prospecting and acquisition of phosphate lands and construction work necessary for improvement and modification of present facilities for the production of experimental fertilizer and munitions products.

3. *Watershed protection and improvement program.*—TVA is responsible for the protection and improvement of the watershed of the Tennessee River in relation to overall development of the region's natural resources. To accomplish this, TVA makes investigations to identify problems of watershed protection and improvement under conditions of optimum use; conducts research to develop and test corrective measures; and participates in cooperative projects with State and local groups to apply these measures to regional and special problems. Operating costs estimated at $1,021,000 in 1959 provide for two types of activities: tributary watershed projects and forestry projects.

The major purpose of TVA's participation in tributary watershed development projects is to assist in finding and demonstrating ways in which State and local agencies and private groups can assume leadership and responsibility for joint solutions to problems of watershed protection and resource development in small tributary watersheds. Work planned for 1959 consists of research on the effects of changes in land use on the quality and behavior of water in the stream; continuation of demonstrations in the Chestuee and Beech River watersheds in Tennessee; and development work in two other watersheds.

The aim of the forestry projects is to aid the States, counties, landowners, and the timber industry in developing full production and use of the Valley's forest resource consistent with the needs of watershed protection. Forestry projects include research and demonstrations in forest management, reforestation, forest protection, and forest products utilization. TVA will produce 18 million seedlings for valleywide reforestation which will be distributed through State agencies to private landowners, who pay a part of the production cost.

4. *General service activities.*—Operating costs for the program cover primarily reimbursable services furnished at the request and expense of other agencies. The 1959 estimate of $951,000 for mapping services consists of work performed for the Department of the Army ($882,000), the Geological Survey ($65,000), and others ($4,000). Most of the $2,635,000 estimate for other reimbursable services covers work for the Department of Defense in connection with the Muscle Shoals Phosphate Development Works.

Estimated capital outlay of $1,779,000 for general facilities in 1959 is for purchase of equipment used throughout the TVA program, primarily the replacement of trucks and other heavy mobile equipment.

5. *Relation of costs to obligations.*—Program obligations in 1959 are estimated to total $271,643,000. As detailed below, inventories are expected to be reduced by $2,554,000 and appropriation financed commitments by $10,225,000.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories	$30,491,766	$42,137,192	$45,619,192	$43,065,192
Unpaid undelivered orders, appropriation financed	5,015,188	2,493,071	11,327,071	1,102,071
Unpaid undelivered orders, corporate financed	34,273,806	80,499,178	74,419,178	32,252,178
Total selected resources at end of year	69,780,760	125,129,441	131,365,441	76,419,441
Selected resources at start of year (−)		−69,780,760	−125,129,441	−131,365,441
Costs financed from obligations of other years, net (−)				−54,946,000
Obligations incurred for costs of other years, net		55,348,681	6,236,000	

Capital outlay obligations are estimated to total $138,762,000 in 1959 and are detailed by programs in the following tabulation:

CAPITAL OUTLAY

	Total estimated cost	*Costs to June 30, 1956*	*Obligations*			*Appropriation or corporate funds required to complete*
			1957 actual	*1958 estimate*	*1959 estimate*	
Appropriation financed:						
1. Navigation, flood control, and power program:						
Navigation facilities	$35,219,704	$903,091	$8,086,336	$16,326,000	$9,131,000	$937,535
Flood control facilities	1,280,000	46,026	314,759	561,000	167,000	191,160
Multipurpose dam	35,000,000				50,000	34,950,000
Power supply facilities	778,735,173	752,906,113	8,881,697	12,604,000	578,000	1,428
Transmission system facilities	63,137	199,123	−139,889			
Additions and improvements at existing facilities	−453,765	353,772	494,239	602,000	447,000	300,000
Investigations for future facilities	1,450,035	961,272	17,763	136,000	132,000	203,000
2. Fertilizer, agricultural, and munitions program: Chemical facilities	4,495,512	679,736	1,163,747	1,387,000	783,000	500,000
4. General service activities: General facilities	463,055	798,047	−363,864	45,799	494,000	
Total appropriation financed	856,252,851	756,847,180	18,454,788	31,661,799	11,782,000	37,083,123
Corporate financed:						
1. Navigation, flood control, and power program:						
Power supply facilities	265,884,000	2,112,084	36,330,930	84,194,000	91,375,000	52,514,435
Transmission system facilities	103,548,900	7,854,346	25,262,223	29,630,000	33,260,000	14,000,000
Additions and improvements at existing facilities	6,107,130	710,638	1,362,904	2,090,000	2,021,000	100,000
Navigation facilities	220,000		649	79,000	133,000	7,351
Investigations for future facilities	932,047	392,086	3,961	203,000	191,000	142,000
Total corporate financed	376,692,077	11,069,154	62,960,667	116,196,000	126,980,000	66,763,786
Total capital outlay	1,232,944,928	767,916,334	81,415,455	147,857,799	138,762,000	103,846,909

Financing.—Amounts estimated to become available in 1959 will be derived from the requested appropriation of $16,850,000 and from revenues and receipts (mostly from power operations) of $277,383,000.

Operating results and financial condition.—For 1959, net income from power operations is expected to amount to $58,004,000 and net loss of other programs is expected to total $9,974,000, leaving $48,030,000 to be added to accumulated program income. Total accumulated retained earnings through 1959 is estimated at $332,466,669. Only the power operations program is intended to be self-supporting; the net loss of other programs is covered largely by appropriations from the Treasury. Payments to the Treasury in 1959 are estimated at $2,063,000 from nonpower proceeds.

Total investment of the Government is expected to be $2,111,826,875 at the end of 1959. The portion of TVA's investment in power is as follows:

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

ANALYSIS OF INVESTMENT IN TVA POWER PROGRAM

[In thousands]

Investment	*1956 actual*	*1957 actual*	*1958 estimate*	*1959 estimate*
Land, structures, and equipment:				
Completed fixed assets	$1,588,464	$1,711,355	$1,762,951	$1,914,682
Less accumulated depreciation	204,027	243,925	282,843	328,023
Net completed fixed assets	1,384,437	1,467,430	1,480,108	1,586,659
Construction in progress	106,596	56,181	113,693	96,431
Investigations in progress	571	481	679	822
Inventories	24,575	35,613	38,764	36,563
Funds held for future use	59,381	55,172	32,121	12,516
Total power program assets	1,575,560	1,614,877	1,665,365	1,732,991
Derivation				
Appropriations	1,345,193	1,356,548	1,360,706	1,370,340
Transfers of property	19,365	19,383	19,383	19,383
Bonds	65,073	65,073	65,073	65,073
Subtotal	1,429,631	1,441,004	1,445,162	1,454,796
Less repayment of bonds and payments to Treasury	210,132	240,132	250,132	250,132
Net Treasury investment	1,219,499	1,200,872	1,195,030	1,024,664
Accumulated net power income	355,287	413,430	469,969	527,973
Rents and other collections in advance	471	251	42	30
Contributions in aid of construction	303	324	324	324
Total power program assets	1,575,560	1,614,877	1,665,365	1,732,991

In 1959 net budget expenditures (the excess of checks issued over cash received and deposited) are expected to be $46,652,000.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Navigation, flood control, and power program:			
Acquisition of assets	$83,537,816	$137,198,000	$147,735,000
Expense	138,575,335	143,090,000	153,029,000
Fertilizer, agricultural, and munitions program:			
Acquisition of assets	1,075,601	2,050,000	1,048,000
Expense	17,683,126	18,376,000	19,962,000
Watershed protection and improvement program: Expense	964,277	1,004,000	1,013,000
General service activities:			
Acquisition of assets	711,441	1,275,799	1,779,000
Expense	5,788,755	4,535,000	3,598,000
Subtotal	248,336,351	307,528,799	328,164,000
Less nonfund items:			
Depreciation	1,387,286	1,500,000	1,575,000
Property or service transferred in without charge	1,085		
Total nonfund items	1,388,371	1,500,000	1,575,000
Subtotal	246,947,980	306,028,799	326,589,000
Increase in selected working capital	5,556,986	3,482,000	
Total gross expenditures	252,504,966	309,510,799	326,589,000
Receipts from operations (funds provided):			
Navigation, flood control, and power program: Revenue	235,125,448	240,337,000	254,006,000
Fertilizer, agricultural, and munitions program: Revenue	15,867,058	16,429,000	17,814,000
Watershed protection and improvement program: Revenue	4,314	71,000	74,000
General service activities: Reimbursements	5,784,487	4,527,000	3,586,000
Undistributed receipts:			
Sale of retired assets and construction costs recovered	2,585,757	7,385,000	1,898,000
Sale of property transferred from other agencies	1,358		
Other	40,808	21,000	17,000
Total undistributed receipts	2,627,923	7,406,000	1,915,000
Subtotal	259,409,230	268,770,000	277,395,000
Less amortization of long-term advance payments by customers	219,937	209,000	12,000
Subtotal	259,189,293	268,561,000	277,383,000

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided)—Continued			
Decrease in selected working capital			$2,554,000
Total receipts from operations	$259,189,293	$268,561,000	279,937,000
Budget expenditures	−6,684,327	40,949,799	46,652,000

Revenue, Expense, and Retained Earnings

Navigation operations:			
Revenue	$60,841	$14,000	$14,000
Expense	2,806,215	2,940,000	2,986,000
Net operating loss, navigation operations	−2,745,374	−2,926,000	−2,972,000
Flood control operations: Expense	−2,650,162	−2,810,000	−2,809,000
Power operations:			
Revenue	234,749,416	240,043,000	253,712,000
Expense	176,605,747	183,504,000	195,708,000
Net operating income, power operations	58,143,669	56,539,000	58,004,000
Multipurpose reservoir operations not allocated above:			
Revenue	−315,191	−280,000	−280,000
Expense	315,191	280,000	280,000
Net			
Topographic mapping: Expense	−108,788	−211,000	−211,000
Fertilizer, agricultural, and munitions program:			
Revenue	15,867,058	16,429,000	17,814,000
Expense	18,616,019	19,268,000	20,854,000
Net operating loss, fertilizer, agricultural, and munitions program	−2,748,961	−2,839,000	−3,040,000
Watershed protection and improvement program:			
Revenue	4,314	71,000	74,000
Expense	969,575	1,012,000	1,021,000
Net operating loss, watershed protection and improvement program	−965,261	−941,000	−947,000
Other programs:			
Revenue	20,463	21,000	17,000
Expense	4,268	8,000	12,000
Net operating income, other programs	16,195	13,000	5,000
Net income from power operations, less net loss of other programs	48,941,318	46,825,000	48,030,000
Retained earnings, beginning of year	188,670,351	237,611,669	284,436,669
Retained earnings, end of year (accumulated net income from power operations, less accumulated net loss of other programs)	237,611,669	284,436,669	332,466,669

Financial Condition

Assets:			
Cash with Treasury	$102,434,094	$62,465,474	$30,600,474
Current receivables, net	22,414,623	22,414,623	22,414,623
Inventories	42,137,192	45,619,192	43,065,192
Land, structures, and equipment, net	1,869,954,201	1,954,038,000	2,051,262,000
Total assets	2,036,940,110	2,084,537,289	2,147,342,289
Liabilities:			
Current liabilities	35,161,644	35,161,644	35,161,644
Deferred credits	251,008	42,008	30,008
Total liabilities and deferred credits	35,412,652	35,203,652	35,191,652
Contributions in aid of construction	323,762	323,762	323,762
Government investment:			
Non-interest-bearing capital:			
Start of year	1,797,676,993	1,763,592,027	1,764,573,206
Appropriations	5,357,000	13,317,000	16,850,000
Unobligated balance rescinded	−6,500,000		
Transfers of property from other agencies	66,765		
Payments to Treasury:			
Payment on power investment	−30,000,000	−10,000,000	
Payment of nonpower proceeds	−3,008,731	−2,335,821	−2,063,000
End of year	1,763,592,027	1,764,573,206	1,779,360,206
Retained earnings (accumulated net income from power operations, less accumulated net loss of other programs)	237,611,669	284,436,669	332,466,669
Total Government investment	2,001,203,696	2,049,009,875	2,111,826,875

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Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$129,901,498	$102,434,094	$62,465,474	$30,600,474
Obligated balance, net:				
Current liabilities	39,064,932	35,161,644	35,161,644	35,161,644
Unpaid undelivered orders:				
Appropriation financed	5,015,188	2,493,071	11,327,071	1,102,071
Corporate financed [1]	34,273,806	80,499,178	74,419,178	32,252,178
Current receivables	−32,406,351	−22,414,623	−22,414,623	−22,414,623
Total obligated balance	45,947,575	95,739,270	98,493,270	46,101,270
Unobligated balance	83,953,923	6,694,824	−36,027,796	−15,500,796

[1] Not included in these figures are commitments for fuel contracts which were $103,544,021 at June 30, 1956; $95,137,927 at June 30, 1957; and which are estimated at $100,000,927 as of June 30, 1958, and $100,000,927 as of June 30, 1959.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	11,766	11,699	11,504
	Full-time equivalent of all other positions	3,565	4,450	4,984
	Average number of all employees	14,585	15,690	16,153
	Number of employees at end of year	15,651	17,500	15,889
	Average grade and salary, grades established by the Board of Directors	4.6 $5,656	4.6 $6,004	4.6 $6,109
	Average salary of ungraded positions	$4,817	$4,977	$5,178
01	Personal services:			
	Permanent positions	$58,483,605	$62,521,661	$63,642,693
	Positions other than permanent	19,892,071	25,995,975	30,102,874
	Other personal services	3,542,194	3,891,364	4,042,433
	Excess of annual leave earned over leave taken	561,716		
	Total personal services	82,479,586	92,409,000	97,788,000
02	Travel	1,116,575	1,230,000	1,230,000
03	Transportation of things	25,161,583	24,152,000	24,568,000
04	Communication services	779,935	820,000	820,000
05	Rents and utility services	1,348,603	1,345,000	1,399,000
06	Printing and reproduction	41,619	64,000	48,000
07	Other contractual services	4,972,138	10,063,000	6,644,000
	Services performed by other agencies	5,381,696	5,476,000	6,471,000
08	Supplies and materials	95,338,572	100,231,799	96,128,000
09	Equipment	30,921,536	70,772,000	66,084,000
10	Lands and structures	1,216,271	1,021,000	892,000
11	Grants, subsidies, and contributions	7,773,289	9,234,000	10,132,000
13	Refunds, awards, and indemnities	27,181	39,000	39,000
15	Taxes and assessments	1,855,027	1,488,000	1,567,000
	Subtotal	258,413,611	318,344,799	313,810,000
	Allocated working fund obligations (−)	−2,342,322		
	Increase or decrease (−) in undelivered orders	46,225,372	−6,080,000	−42,167,000
	Total obligations	302,296,661	312,264,799	271,643,000

Proposed for later transmission:

TENNESSEE VALLEY AUTHORITY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay: Navigation, flood control, and power program: Power supply facilities			$13,000,000
Relation of costs to obligations: Obligations incurred for costs of other years, net			46,000,000
Total program (obligations)			59,000,000
Financing:			
Unobligated balance carried forward			66,000,000
Proposed supplemental authorization to expend from corporate debt receipts			125,000,000

Under proposed legislation, 1959.—A supplemental estimate of $125 million is anticipated for new electric generating units which would be constructed under proposed legislation providing for revenue bond financing. This estimate is for capacity totaling about 600,000 kilowatts, but 1,200,000 kilowatts may be required to meet load requirements in 1961–62. A reappraisal of requirements will be made after the Congress has acted on the legislation to determine whether additional new electric generating units are needed.

UNITED STATES INFORMATION AGENCY

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary to enable the United States Information Agency, as authorized by Reorganization Plan Numbered 8 of 1953, and the United States Information and Educational Exchange Act, as amended (22 U. S. C. 1431 et seq.), to carry out international information activities, including employment, without regard to the civil-service and classification laws, of (1) persons on a temporary basis (not to exceed $120,000), (2) aliens within the United States, and (3) aliens abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages (such aliens to be investigated for such employment in accordance with procedures established by the Secretary of State and the Attorney General); travel expenses of aliens employed abroad for service in the United States and their dependents to and from the United States; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158); expenses of attendance at meetings concerned with activities provided for under this appropriation (not to exceed $6,000); entertainment within the United States not to exceed $500; hire of passenger motor vehicles; insurance on official motor vehicles in foreign countries; purchase of space in publications abroad, without regard to the provisions of law set forth in 44 U. S. C. 322; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; employment of aliens, by contract, for service abroad; purchase of ice and drinking water abroad; payment of excise taxes on negotiable instruments abroad; cost of transporting to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director may prescribe; actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in activities authorized under this appropriation; radio activities and acquisition and production of motion pictures and visual materials and purchase or rental of technical equipment and facilities therefor, narration, script-writing, translation, and engineering services, by contract or otherwise; maintenance, improvement, and repair of properties used for information activities in foreign countries; fuel and utilities for Government-owned or leased property abroad; rental or lease for periods not exceeding five years of offices, buildings, grounds, and living quarters for officers and employees engaged in informational activities abroad; travel expenses for employees attending official international conferences, without regard to the Standardized Government Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, but at rates not in excess of comparable allowances approved for such conferences by the Secretary of State; and purchase of objects for presentation to foreign governments, schools, or organizations; [$95,100,000] *$105,000,000*, of which not less than $9,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States and of which sum not less than [$350,000] *$300,000* shall be available by contracts with one or more private international broadcasting licensees for the purpose of developing and broadcasting under private auspices, but under the general supervision of the United States Information Agency, radio programs to Latin America, Western Europe, Africa, as well as other areas of the free world, which programs shall be designed to cultivate friendship with the peoples of the countries in those areas, and to build improved international understanding: *Provided*, That not to exceed [$50,000] *$135,000* may be used for representation abroad: *Provided further*, That this appropriation shall be available for expenses in connection with travel of personnel

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UNITED STATES INFORMATION AGENCY—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel, when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed during the current year: *Provided further*, That funds may be exchanged for payment of expenses in connection with the operation of information establishments abroad without regard to the provisions of section 3651 of the Revised Statutes (31 U. S. C. 543): *Provided further*, That passenger motor vehicles used abroad exclusively for the purposes of this appropriation may be exchanged or sold, pursuant to section 201 (c) of the Act of June 30, 1949 (40 U. S. C. 481 (c)), and the exchange allowances or proceeds of such sales shall be available for replacement of an equal number of such vehicles and the cost, including the exchange allowance of each such replacement, except buses and station wagons, shall not exceed $1,500: *Provided further*, That, notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), the United States Information Agency is authorized in making contracts for the use of international shortwave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further*, That existing appointments and assignments to the Foreign Service Reserve for the purposes of foreign information and educational activities which expire during the current fiscal year may be extended for a period of one year in addition to the period of appointment or assignment otherwise authorized. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$95,100,000** Estimate 1959, **$105,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Overseas missions	$47,212,232	$40,437,234	$43,021,800
2. Media services:			
(*a*) Press and publications service	9,664,690	8,082,515	9,278,400
(*b*) Motion picture service	7,338,628	4,909,924	6,433,700
(*c*) Information center service	8,609,892	5,250,000	6,527,600
(*d*) Broadcasting service	20,280,883	17,429,021	19,924,300
3. Cooperative programs with private organizations	460,993	511,600	511,600
4. Program direction and appraisal	2,416,140	2,427,960	2,665,800
5. Administration and staff support	5,900,043	5,090,440	5,429,800
6. Administrative support	10,983,108	10,961,306	11,207,000
Total obligations	112,866,609	95,100,000	105,000,000
Financing:			
Unobligated balance no longer available	133,391		
Appropriation (new obligational authority)	113,000,000	95,100,000	105,000,000

The United States Information Agency submits evidence to peoples of other nations that the objectives and policies of the United States are in harmony with and will advance their legitimate aspirations for freedom, progress, and peace. The intention is to encourage foreign peoples to take action consistent with United States national objectives.

The requested increase of approximately $9.9 million in available operating funds will provide for: (1) approximately $6.6 million for intensified programs in foreign countries including media and other support services; (2) about $2.5 million for expansion of direct radio broadcasting programs and worldwide television; and (3) about $823,000 for increased domestic nonmedia support activities.

1. *Overseas missions.*—The program is conducted through 202 posts in 80 countries and is known abroad as the United States Information Service (USIS). The overseas missions carry out country programs designed to influence local attitudes and actions in support of United States foreign policy. These programs are being expanded and strengthened in critical areas, especially in the Near East, South Asia, Africa, and Eastern Europe. USIS missions prepare materials using local facilities whenever possible, but also utilizing materials provided by the media services in Washington.

2. *Media services.*—These services provide support for overseas country programs.

(*a*) *Press and publications service* maintains communications facilities for the transmission of daily news, editorial and feature materials for adaptation by overseas missions. It produces the monthly magazine "America Illustrated" for distribution in the Union of Soviet Socialist Republics. The service also operates two regional printing centers to service posts in the Near and Far East.

(*b*) *Motion picture service* supplies the missions with films, translated into 40 foreign languages. It adapts films for specific country or area use, and provides guidance in the foreign production, use, and distribution of films. The service also supplies the missions with mobile units and equipment for showing motion pictures.

(*c*) *Information center service* supports United States operated libraries and reading rooms and binational centers operated jointly by the United States and the host country. The service provides these centers with collections of American books and other publications, both in English and in translation, and with English teaching materials. It assists American publishers in distributing selected products overseas and supports the publication of low-priced books for sale abroad. The service also provides exhibits and visual materials to overseas missions for local display and provides books and periodicals for presentation to selected individuals and groups.

(*d*) *Broadcasting service* produces radio broadcasts in 42 foreign languages and in English. Programs originate from the United States and from two points overseas. It operates a total of 83 transmitters at 7 locations in the United States and at 10 overseas locations, with a combined radio frequency power output of over 8 million watts. The service will originate a total of 51 hours and 40 minutes of programing daily in 1959, compared to 47 hours and 40 minutes in 1957 and 40 hours and 55 minutes in 1958. The service supplies the USIS missions with recorded radio programs and scripts, and with supplies and equipment. This service also acquires or produces television programs for placement in outlets overseas.

3. *Cooperative programs with private organizations.*—The Agency encourages and coordinates the efforts of private organizations to utilize their resources and initiative in building an information exchange program between the people of the United States and the peoples of foreign countries. These efforts will be intensified in 1959.

4. *Program direction and appraisal.*—In addition to program and policy planning, research and intelligence data are collected and programs are analyzed for effectiveness.

5. *Administration and staff support.*—This includes physical and personnel security functions, administrative servicing, and legal counsel.

6. *Administrative support.*—This includes administrative services for the Agency's overseas operations, and certain special support services at headquarters, obtained through reimbursable arrangements with the Department of State.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	12,065	12,080	11,435
Full-time equivalent of all other positions	92	67	76
Average number of all employees	10,883	10,779	10,795
Number of employees at end of year	11,793	10,946	11,211
Average GS grade and salary	9.1 $6,442	9.2 $6,568	9.2 $6,620
Grades established by the Foreign Service Act of 1946 (22 U. S. C. 801-1158):			
Average Foreign Service Reserve grade and salary	3.2 $10,892	3.0 $11,305	3.1 $11,178
Average Foreign Service staff grade and salary	6.3 $7,170	6.1 $7,334	6.0 $7,424
Average salary of ungraded positions:			
United States and possessions	$4,008	$4,203	$4,210
Foreign countries, local rates	$1,579	$1,598	$1,584
01 Personal services:			
Permanent positions	$36,604,780	$36,997,307	$36,877,675
Positions other than permanent	328,032	244,491	291,201
Other personal services	3,514,663	3,151,889	3,220,998
Total personal services	40,447,475	40,393,687	40,389,874
02 Travel	4,523,388	3,495,985	4,350,121
03 Transportation of things	3,378,674	2,811,140	3,466,005
04 Communication services	2,254,141	1,703,254	1,923,598
05 Rents and utility services	2,928,044	2,516,077	2,745,913
06 Printing and reproduction	3,546,767	2,594,382	3,457,269
07 Other contractual services	24,424,809	15,295,852	19,253,977
Services performed by other agencies	11,723,977	12,245,043	12,664,618
08 Supplies and materials	9,390,008	6,824,734	8,032,267
09 Equipment	6,679,773	3,025,015	3,843,448
10 Lands and structures	62,142	34,466	34,948
11 Grants, subsidies, and contributions	3,433,382	4,087,075	4,752,150
13 Refunds, awards, and indemnities	2,053	2,649	2,649
15 Taxes and assessments	71,976	70,641	83,163
Total obligations	112,866,609	95,100,000	105,000,000

Informational Foreign Currency Schedule

Agricultural Trade Development and Assistance Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Assistance to binational centers		$1,281,000	$1,587,000
2. Translation, publication, and distribution of books and other publications	$35,385	806,000	2,004,000
Total obligations	35,385	2,087,000	3,591,000
Financing:			
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	14,615		
Authorization to expend foreign currency receipts pursuant to 68 Stat. 454	50,000	2,087,000	3,591,000

Foreign currencies generated by the sale of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) are available to finance authorized informational activities (22 U. S. C. 1431 et seq.). Under sales agreements completed or currently under negotiation, programs totaling $5,678,000 are planned for 1958 and 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services		$806,000	$2,004,000
11 Grants, subsidies, and contributions	$35,385	1,281,000	1,587,000
Total obligations	35,385	2,087,000	3,591,000

Analysis of Expenditures

Obligated balance, beginning of year		$35,385	$1,222,385
Obligations incurred during year	$35,385	2,087,000	3,591,000
Obligated balance, end of year	−35,385	−1,222,385	−2,513,385
Expenditures		900,000	2,300,000

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Acquisition and Construction of Radio Facilities

[Acquisition and construction of radio facilities:] For *an additional amount for* the purchase, rent, construction, and improvement of facilities for radio transmission and reception, purchase and installation of necessary equipment for radio transmission and reception, without regard to the provisions of the Act of June 30, 1932 (40 U. S. C. 278a), and acquisition of land and interests in land by purchase, lease, rental, or otherwise, [$1,100,000] *$5,032,000* to remain available until expended: *Provided*, That this appropriation shall be available for acquisition of land outside the continental United States without regard to section 355 of the Revised Statutes ([33 U. S. C. 733] *40 U. S. C. 255*), and title to any land so acquired shall be approved by the Director of the United States Information Agency[: *Provided further*, That the unexpended balances of amounts made available for the foregoing purposes, under the head "International information and educational activities" in the Supplemental Appropriation Act, 1950, the Supplemental Appropriation Act, 1951, and the Third Supplemental Appropriation Act, 1951, shall be merged with this appropriation]. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,100,000** Estimate 1959, **$5,032,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition and construction of facilities	$239,387	$2,573,020	$5,814,109
2. Maintenance and improvement of existing facilities	581,805	1,065,857	1,674,700
3. Research and development	23,045	71,200	72,000
Total obligations	844,237	3,710,077	7,560,809
Financing:			
Unobligated balance brought forward	−5,983,123	−5,138,886	−2,528,809
Unobligated balance carried forward	5,138,886	2,528,809	
Appropriation (new obligational authority)		1,100,000	5,032,000

Remaining unobligated balances of funds appropriated in 1950, 1951, and 1958, and the new appropriation requested for 1959, will make a total of $7,560,809 available for obligation in 1959. These funds, available until expended, will be used for:

1. *Acquisition and construction of new facilities.*—The estimate includes $3,300,000, primarily for the completion of a major transmitter project. Funds available from prior year balances will be used for construction of a major relay base already authorized and for completion of other projects.

2. *Maintenance and improvement of existing facilities.*—The program of repairs and improvements to existing facilities, and replacement of obsolete or worn-out equipment, will be continued.

3. *Research and development.*—Investigation and study in the fields of radio propagation techniques and problems; engineering design of equipment and antenna systems; and equipment modifications to investigate equipment and methods for generating very high frequency power will continue in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
UNITED STATES INFORMATION AGENCY			
10 Lands and structures	$844,237	$3,452,791	$7,560,809
ALLOCATION TO DEPARTMENT OF THE ARMY			
10 Lands and structures		257,286	
Total obligations	844,237	3,710,077	7,560,809

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UNITED STATES INFORMATION AGENCY—Con.

Current authorizations—Continued

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:
"President's special international program."
"Educational fund, interest payment of the Government of India," Department of State.
"Educational exchange fund, payments by Finland, World War I debt," Department of State.
"Administration, Ryukyu Islands," Department of the Army.

Public enterprise funds:

INFORMATIONAL MEDIA GUARANTY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlays: Issuance of informational media guaranties (total program obligations)	$10,576,963	$10,222,000	$10,320,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Dollar proceeds from sale of foreign currency	4,070,423	4,849,146	5,278,819
Guaranty fees	134,298	139,612	141,252
Recovery of prior obligations	2,604,838	2,299,692	2,368,383
Total amounts becoming available	6,809,559	7,288,450	7,788,454
Unobligated balance brought forward (authorization to expend from public debt receipts)	9,239,330	5,471,926	2,538,376
Total amounts available	16,048,889	12,760,376	10,326,830
Unobligated balance carried forward (authorization to expend from public debt receipts)	−5,471,926	−2,538,376	−6,830
Financing applied to program	10,576,963	10,222,000	10,320,000

The informational media guaranty program is authorized under section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442). This program makes it possible for American exporters of books, periodicals, motion pictures, and other informational media to sell their materials, through regular commercial channels, in foreign countries having a shortage of United States dollar exchange. Under the program, foreign importers make payment to American exporters in foreign currency, following which exporters may exchange their foreign currency for United States dollars upon application to the United States Information Agency, in accordance with the terms of each exporter's informational media guaranty contract.

As of November 30, 1957, a total of $55,307,524 in informational media guaranties had been issued since the inception of the program, of which $8,142,514 were outstanding.

Legislative proposals will be submitted at a later date for authorizing an appropriate means of financing the realized impairment to the capital of the fund, resulting from the operation of the program in prior years and the transfer of $3,525,000 equivalent in Israeli currency to the Department of State pursuant to Public Law 85–170 approved August 28, 1957.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase of foreign currency	$6,977,593	$7,134,357	$8,032,854
Interest payable to Treasury	767,764	402,236	530,000
Adjustment of prior year revenue	1,611,521		
Total gross expenditures	9,356,878	7,536,593	8,562,854
Receipts from operations (funds provided):			
Dollar proceeds from sale of foreign currency	4,070,423	4,849,146	5,278,819
Revenue: Guaranty fees collected	134,298	139,612	141,252
Decrease in selected working capital	767,764	402,236	530,000
Total receipts from operations	4,972,485	5,390,994	5,950,071
Budget expenditures	4,384,393	2,145,599	2,612,783

Revenue, Expense, and Retained Earnings

Revenue: Guaranty fees collected	$134,298	$139,612	$141,252
Expense:			
Loss on sale of foreign currency	1,596,127	1,895,799	1,638,784
Provision for loss on foreign currency	4,962,968		
Interest payable to Treasury	767,764	402,236	530,000
Total expense	7,326,859	2,298,035	2,168,784
Net loss (−) for the year	−7,192,561	−2,158,423	−2,027,532
Retained earnings or deficit (−), beginning of year	1,486,326	−7,317,756	−13,001,179
Adjustment of prior year revenue	−1,611,521		
Transfer to Department of State of Israeli foreign currency (Pub. Law 85–170)		−3,525,000	
Deficit (−), end of year	−7,317,756	−13,001,179	−15,028,711

Financial Condition

Assets:			
Cash with Treasury and in banks	$77,271	$6,672	$18,889
Foreign currency on deposit with Treasury (at cost)	11,310,705	4,819,303	5,934,554
Reserve for loss on foreign currency	−4,962,968	−1,607,154	−1,607,154
Net foreign currency	6,347,737	3,212,149	4,327,400
Total assets	6,425,008	3,218,821	4,346,289
Liabilities:			
Accrued interest payable to Treasury	767,764	1,170,000	1,700,000
Government investment:			
Interest-bearing capital:			
Start of year	8,550,000	12,975,000	15,050,000
Borrowings from Treasury during year (net)	4,425,000	2,075,000	2,625,000
End of year	12,975,000	15,050,000	17,675,000
Deficit (−), end of year	−7,317,756	−13,001,179	−15,028,711
Total Government investment	5,657,244	2,048,821	2,646,289

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$36,665	$77,271	$6,672	$18,889
Budget authorization	19,437,611	15,012,611	12,937,611	10,312,611
Total unexpended balance	19,474,276	15,089,882	12,944,283	10,331,500
Obligated balance, net:				
Current liabilities	1,611,521			
Contingent liabilities on guaranties outstanding	8,623,425	9,617,956	10,405,907	10,324,670
Total obligated balance	10,234,946	9,617,956	10,405,907	10,324,670
Unobligated balance	9,239,330	5,471,926	2,538,376	6,830

NOTE.—Excludes accrued interest on notes not chargeable to borrowing authority per Public Law 726 approved July 18, 1956.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
16 Investments and loans	$10,576,963	$10,222,000	$10,320,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Overseas missions:			
(a) Department of State educational exchange program	$1,320,000	$1,697,306	$1,671,000
(b) Miscellaneous services to other accounts	135,798	127,643	93,600
2. Media services:			
(a) Press and publications service	96,879	128,100	128,100
(b) Motion picture service	36,664	23,100	23,100
(c) Information center service	136,211	30,930	30,900
(d) Broadcasting service	18,383		
3. Administrative support—educational exchange program	390,891	388,694	393,000
4. Miscellaneous services to other accounts	154,174	173,273	175,000
5. Acquisition and construction of radio facilities	30,027		
Total obligations	2,319,027	2,569,046	2,514,700
Financing:			
Advances and reimbursements from—			
Other accounts	2,212,589	2,493,616	2,439,700
Non-Federal sources	106,438	75,430	75,000
Total financing	2,319,027	2,569,046	2,514,700

Object Classification

Average number of all employees	215	248	243
Number of employees at end of year	0	0	0
01 Personal services:			
Permanent positions	$840,116	$1,113,288	$1,098,490
Other personal services	142,748	165,728	162,403
Total personal services	982,864	1,279,016	1,260,893
02 Travel	201,217	216,482	196,189
03 Transportation of things	91,816	97,074	96,999
04 Communication services	10,768	11,763	14,731
05 Rents and utility services	433	449	449
06 Printing and reproduction	8,439	21,996	15,876
07 Other contractual services	374,396	282,567	264,319
Services performed by other agencies	390,891	388,694	393,000
08 Supplies and materials	110,946	125,524	130,925
09 Equipment	146,936	87,286	81,348
11 Grants, subsidies, and contributions		57,788	59,572
15 Taxes and assessments	321	407	399
Total obligations	2,319,027	2,569,046	2,514,700

NOTE.—Reimbursements from non-Federal sources are derived from the following: Proceeds from sales of personal property (63 Stat. 378; 64 Stat. 578); and conditional gifts to further the defense effort (68 Stat. 566).

VETERANS ADMINISTRATION

Current authorizations:

GENERAL OPERATING EXPENSES

[General operating expenses:] For necessary operating expenses of the Veterans Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; uniforms or allowances therefor, as authorized by law; purchase of one passenger motor vehicle (for replacement only) [at not to exceed $5,000] *within such maximum limitation on cost as may be authorized by the Administrator in lieu of any maximum limitation on cost which may be otherwise provided by law;* not to exceed $3,500 for newspapers and periodicals; *not to exceed $45,000 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual education information and descriptive material, including purchase or rental of equipment;* and not to exceed [$3,020,000] *$2,700,000* for expenses of travel of employees; [$161,374,000] *$149,582,000,* of which [$17,500,000] *$10,900,000* shall be available for such expenses as are necessary for the loan guaranty program: *Provided,* That no part of this appropriation shall be used to pay in excess of twenty-two persons engaged in public relations work: *Provided further,* That no part of this appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution. (*5 U. S. C. 43, 46–46e, 50, 54, 55a–56, 58–59a, 70a–70b, 73b–73c, 75a–75a–1, 78, 78a–1, 84–84c, 118j–1, 118p, 118q, 140, 150, 835–840, 842, 851–869, 901–957, 1071–1075, 1081–1083, 1091–1094, 1101–1106, 1111–1115, 1121, 1123–1125, 1131–1133, 2061–2066, 2091–2092, 2094, 2121–2123, 2131–2133; 2203 (a) (7), 2204 (24), 6 U. S. C. 14; 10 U. S. C. 3687, 8687; 24 U. S. C. 30, 71–154; 28 U. S. C. 1823, 2671–2680; 31 U. S. C. 686; 32 U. S. C. 318; 33 U. S. C. 857; 38 U. S. C. 421, 424, 442–518, 574, 591–688b, 694–694o, 696–696m, 697 (b), 697a–697g, 701a, 801–824, 851–858, 911–984, 1031–1084, 1101–1119; 71 Stat. 25, 83–175, 424–425, 472, 474, 485–486, 491–494; 41 U. S. C. 5; 42 U. S. C. 213, 1856; Independent Offices Appropriation Act, 1958; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$161,374,000** Estimate 1959, **$149,582,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. General administration	$13,012,240	$11,000,573	$11,376,905
2. Insurance:			
(a) Program planning and direction	2,043,137	2,311,000	2,316,000
(b) Field operations:			
(1) Executive administration	117,494	135,915	120,000
(2) Insurance operations	19,062,809	17,986,278	16,698,200
(3) Office services	3,288,673	3,227,807	2,941,800
3. Veterans benefits:			
(a) Program planning and direction	3,773,559	4,365,787	4,132,163
(b) Field operations:			
(1) Executive administration	3,144,280	3,379,063	3,369,298
(2) Contact	9,918,301	10,012,039	9,490,486
(3) Compensation and pensions	22,776,994	24,340,430	24,735,506
(4) Vocational rehabilitation and education	27,123,629	25,921,817	23,237,534
(5) Loan guaranty	17,643,180	14,591,607	10,946,642
(6) Guardianship	9,293,216	9,908,678	9,988,976
(7) Office services	28,389,238	29,860,579	29,169,995
Total operating costs	159,586,750	157,041,573	148,523,505
Capital outlay:			
1. General administration	152,697	55,427	58,095
2. Insurance	122,745	152,000	124,000
3. Veterans benefits	931,720	920,000	876,400
Total capital outlay	1,207,162	1,127,427	1,058,495
Total program costs	160,793,912	158,169,000	149,582,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−181,043		
Obligations incurred for costs of other years, net		130,853	
Total program (obligations)	160,612,869	158,299,853	149,582,000
Financing:			
Unobligated balance no longer available	1,689,261	3,074,147	
New obligational authority	162,302,130	161,374,000	149,582,000
New obligational authority:			
Appropriation	$163,027,130	$161,374,000	$149,582,000
Transferred to "Inpatient care" (71 Stat. 179)	−725,000		
Appropriation (adjusted)	162,302,130	161,374,000	149,582,000

This appropriation provides for all administrative expenses of the agency with the exception of those applicable to the Department of Medicine and Surgery.

The appropriation of $149,582,000 proposed for 1959 is $11,792,000 less than the amount appropriated for 1958. Total workloads of the various programs, with the exception of the loan guaranty and the vocational rehabilitation and education activities, are not expected to change significantly from those estimated for 1958. A decline in the vocational rehabilitation and education activities is expected as an increasing number of veterans exhaust their entitlement to benefits or become ineligible

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

General Operating Expenses—Continued

as a result of statutory time limitations. Similarly, a decline in certain loan guaranty activities is being estimated due to the expiration of authorizing legislation as of July 25, 1958. In addition to the data below certain factors in workload trends may be found under the appropriations for readjustment benefits, compensation and pensions, and insurance programs.

1. *General administration.*—The Administrator and his top staff assistants provide the executive direction of the agency, establish basic policies, interpret laws pertaining to veterans affairs and promulgate supplementary regulations, and direct and coordinate the activities of the operating departments. The board of veterans appeals, established by statutory enactment, renders appellate decisions final in all cases other than insurance cases, in appeals to the Administrator on claims involving benefits under laws administered by the Veterans Administration.

2. *Insurance.*—Approximately 6 million veterans are insured under the United States Government or national service life insurance programs. Operating costs including capital outlay for the administration of these programs have been reduced from approximately $41.5 million in 1953 to an estimated $22.2 million in 1959. These reductions, accompanied by only slight decreases in the number of policies maintained, have been made possible through consolidation of activities and improved operating methods and procedures.

AVERAGE NUMBER OF POLICIES IN FORCE

	1957 actual	*1958 estimate*	*1959 estimate*
United States Government life insurance	376,867	364,000	349,000
National service life insurance	6,104,633	6,103,200	5,892,640

3. *Veterans benefits.*—Veterans' and dependents' claims for compensation, pensions, or other benefits are adjudicated, and guardianship and fiduciary service is furnished helpless or incompetent veterans and minor dependents, as indicated by the following workloads:

	1957 actual	*1958 estimate*	*1959 estimate*
Rating actions (disability)	1,037,322	1,020,000	1,085,000
Authorization actions (disability)	742,439	730,000	735,000
Rating actions (death)	94,785	90,000	92,000
Authorization actions (death)	673,134	541,000	545,000
Cases involving guardianship or fiduciary relationship	357,861	370,000	380,000
Field examinations	152,208	154,000	155,000

Eligibility of trainees for vocational rehabilitation and education or educational assistance is determined, guidance is furnished to trainees, and contracts are made with training institutions for tuition and other charges. Trainees (average number) are expected as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
World War II veterans	3,852	1,000	250
Korean conflict veterans	574,486	540,000	460,000
War orphans	1,206	4,500	7,000
Vocational rehabilitation trainees	16,635	14,200	12,800

Loan guaranty operations include issuance of certificates of loan guaranty or insurance, servicing of loans reported in default, payment of claims of lenders on defaulted loans, acquisition, management, and disposal of property when necessary to protect the Government's interest, making of direct loans to veterans in certain areas, and providing assistance to specified paraplegic veterans in acquiring specially adapted housing. Key workload forecasts are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Guaranteed or insured loans closed	441,350	196,820	55,500
Direct loans closed and fully disbursed	15,380	25,000	6,606
Defaults processed	71,083	78,779	78,130
Claims paid	6,668	8,300	8,325
Loan and property acquisitions	5,690	7,690	7,770
Housing grants	444	450	430

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order): Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$478,108	$202,454	$74,145	$74,145
Selected resources at start of year (−)		−478,108	−202,454	−74,145
Adjustment of selected resources reported at start of year		94,611	−2,544	
Costs financed from obligations of other years, net (−)		−181,043		
Obligations incurred for costs of other years, net			130,853	

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	30,747	27,523	25,825
	Full-time equivalent of all other positions	20	8	9
	Average number of all employees	28,081	25,554	23,994
	Number of employees at end of year	27,455	25,014	23,725
	Average GS grade and salary	5.6 $4,795	5.7 $4,832	5.6 $4,823
01	Personal services:			
	Permanent positions	$133,031,658	$123,504,238	$116,201,949
	Positions other than permanent	100,977	48,149	26,000
	Other personal services	1,421,959	1,340,888	1,164,340
	Total personal services	134,554,594	124,693,275	117,392,289
02	Travel:			
	Employee	2,866,788	2,859,807	2,698,998
	Beneficiary	251,014	238,000	211,000
03	Transportation of things	547,164	316,000	268,471
04	Communication services	2,687,906	2,752,016	2,761,686
05	Rents and utility services	2,107,427	2,259,587	2,575,947
06	Printing and reproduction	1,461,082	2,197,959	2,126,722
07	Other contractual services	10,037,010	9,736,846	8,744,336
08	Supplies and materials	2,028,807	1,699,096	1,702,945
09	Equipment	1,207,162	1,128,012	1,058,495
11	Grants, subsidies, and contributions	2,537,067	10,217,621	9,972,281
13	Refunds, awards, and indemnities	471,154	40,000	40,000
15	Taxes and assessments	37,503	30,781	28,830
	Subtotal	160,794,678	158,169,000	149,582,000
	Deduct quarters and subsistence charges	766		
	Total costs	160,793,912	158,169,000	149,582,000
	Costs financed from obligations of other years, net (−)	−181,043		
	Obligations incurred for costs of other years, net		130,853	
	Total obligations	160,612,869	158,299,853	149,582,000

Medical Administration and Miscellaneous Operating Expenses

[Medical administration and miscellaneous operating expenses:] For expenses necessary for administration of the medical, hospital, domiciliary, special service, construction and supply, research, and employee education and training activities; expenses necessary for carrying out programs of medical research and of education and training of employees, as authorized by law; not to exceed [$1,046,000] *$1,138,400* for expenses of travel of employees paid from this appropriation, and those engaged in training programs; *and* not to exceed $2,700 for newspapers and periodicals; [and not to exceed $45,000 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including purchase or rental of equipment; $21,763,400] *$21,481,000*, of which $10,344,000 shall be available for medical research: *Provided*, That $1,000,000 of the foregoing appropriation shall remain available until expended for prosthetic testing and development. (*5 U. S. C. 43, 46a–46e, 50, 52–56, 58–59a, 70a–70b, 73b–73c, 75a–75a–1, 84–84c, 118j–1, 118p, 118q, 140, 150, 835–840, 842, 901–957, 2091–2092, 2094, 2121–2123, 33 U. S. C. 857; 38 U. S. C. 701a, ch. 12A (V. R. 1 (a) part VII); 71 Stat. 88–90, 91–92, 93, 94, 110–114, 117–118, 122, 123, 130–135, 141–144, 144–145, 145–152, 152–154, 154–155, 157, 172–173, 473, 491–494; 41 U. S. C. 5; 42 U. S. C. 213; 1956; Independent Offices Appropriation Act, 1958; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$21,763,400** Estimate 1959, **$21,481,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Medical, hospital and domiciliary administration	$7,072,129	$7,847,300	$7,530,000
2. Administration of the construction program	1,070,847	1,149,600	1,183,335
3. Medical research	6,726,546	8,739,500	9,306,200
4. Prosthetic testing and development	980,375	995,000	995,000
5. Medical education and training	1,122,244	1,306,800	1,306,800
Total operating costs	16,972,141	20,038,200	20,321,335
Capital outlay:			
1. Medical, hospital and domiciliary administration	133,085	15,000	15,000
2. Administration of the construction program	6,461	7,500	8,665
3. Medical research	2,400,725	1,604,500	1,037,800
4. Prosthetic testing and development	4,532	5,000	5,000
5. Medical education and training	249,684	93,200	93,200
Total capital outlay	2,794,487	1,725,200	1,159,665
Total program costs	19,766,628	21,763,400	21,481,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	332,403		
Total program (obligations)	20,099,031	21,763,400	21,481,000
Financing:			
Unobligated balance no longer available	674,769		
Appropriation (new obligational authority)	20,773,800	21,763,400	21,481,000

1. *Medical, hospital, and domiciliary administration.*—This covers the development, implementation, and administration of policies, plans, and broad program objectives.

2. *Administration of the construction program.*—This includes the general supervision over the design, construction and operation of buildings, real property management, and accident and fire protection.

3. *Medical research.*—Medical research projects are conducted in Veterans Administration laboratories or in universities or other institutions on a contract basis, whichever is more advantageous or economical.

4. *Prosthetic testing and development.*—This testing and development program for prosthetic, orthopedic and sensory aids is the only such program in the Federal Government. It improves the care and rehabilitation of disabled eligible veterans, including amputees, paraplegics, and the blind.

5. *Medical education and training.*—This covers (*a*) residency and internship training, (*b*) postgraduate and in-service training, and (*c*) medical illustration.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$98,075	$407,137	$407,137	$407,137
Advances (payment for goods and services on order not yet received)	2,920	1,521		
Total selected resources at end of year	100,995	408,658	407,137	407,137
Selected resources at start of year (−)		−100,995	−408,658	−407,137
Adjustment of selected resources reported at start of year		24,740	1,521	
Obligations incurred for costs of other years, net		332,403		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2,264	2,641	2,724
Full-time equivalent of all other positions	82	95	91
Average number of all employees	2,218	2,536	2,551
Number of employees at end of year	2,984	3,059	3,165
Average GS grade and salary	7.0 $5,322	6.7 $5,127	6.7 $5,134
Average salary of ungraded positions	$7,559	$7,512	$7,337
01 Personal services:			
Permanent positions	$11,717,615	$13,185,525	$13,292,200
Positions other than permanent	754,108	838,600	911,000
Other personal services	41,901	100,075	101,300
Total personal services	12,513,624	14,124,200	14,304,500
02 Travel:			
Employee	971,547	1,046,000	1,138,400
Beneficiary	224	300	300
03 Transportation of things	40,872	41,200	42,400
04 Communication services	84,841	93,600	93,600
05 Rents and utility services	64,708	70,000	70,000
06 Printing and reproduction	4,259	311,000	311,000
07 Other contractual services	1,721,927	1,897,800	1,896,235
08 Supplies and materials	1,544,948	1,600,800	1,601,400
09 Equipment	2,794,487	1,725,200	1,159,665
11 Grants, subsidies, and contributions		835,900	847,900
13 Refunds, awards, and indemnities	14,080	4,000	
15 Taxes and assessments	11,111	13,400	15,600
Total costs	19,766,628	21,763,400	21,481,000
Obligations incurred for costs of other years, net	332,403		
Total obligations	20,099,031	21,763,400	21,481,000

Inpatient Care

[Inpatient care:] For expenses necessary for the maintenance and operation of hospitals and domiciliary facilities and for the care and treatment of beneficiaries of the Veterans Administration in facilities not under the jurisdiction of the Veterans Administration as authorized by law, including the furnishing of recreational articles and facilities; maintenance and operation of farms; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and purchase of materials; purchase of [fifty] *one hundred and three* passenger motor vehicles for replacement only; not to exceed [$366,500] *$400,000* for expenses of travel of employees; uniforms or allowances therefor as authorized by the Act of September 1, 1954 [(68 Stat. 1114)], as amended (*5 U. S. C. 2131*); and aid to State or Territorial homes in conformity with the Act approved August 27, 1888, as amended (24 U. S. C. 134) for the support of veterans eligible for admission to Veterans Administration facilities for hospital or domiciliary care; [$708,656,000, including the sum of $6,656,000 for reimbursable services performed for other Government agencies and individuals] *$707,100,000*: *Provided,* That allotments and transfers may be made from this appropriation to the Department of Health, Education, and Welfare (Public Health Service), the Army, Navy, and Air Force Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration: *Provided further,* That the foregoing appropriation is predicated on furnishing inpatient care and treatment to an average of [140,800] *139,042* beneficiaries (*exclusive of those for whom the Veterans Administration is reimbursed*) during the fiscal year [1958] *1959* including members in State or Territorial homes, and if a lesser number is experienced such appropriation shall be expended only in proportion to the average number of beneficiaries furnished such care and treatment. (*5 U. S. C. 43, 46a–46e, 50, 58–59a, 73b–73c, 75a–75a–1, 78, 78a–1, 84–84c, 118j–1, 118p, 118q, 150, 835–840, 842, 901–957, 2091–2092, 2094, 2121–2123, 2131–2133; 33 U. S. C. 857; 38 U. S. C. 701a, ch. 12A (V. R. 1 (a), part VII); 71 Stat. 88–90, 91–92, 94, 110–114, 117–118, 122, 123, 130–135, 141–144, 144–145, 145–152, 152–154, 154–155, 157, 172–173, 472, 491–494; 41 U. S. C. 5; 42 U. S. C. 213; Independent Offices Appropriation Act, 1958; General Government Matters Appropriation Act, 1958.*)

Appropriated 1958, **$702,000,000** Estimate 1959, **$707,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Maintenance and operation of hospitals:			
(*a*) Neuropsychiatric hospitals	$201,103,815	$212,501,000	$215,480,000
(*b*) Tuberculosis hospitals	48,895,144	50,440,000	44,387,000
(*c*) General medical hospitals	363,747,347	386,721,000	394,771,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

INPATIENT CARE—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Contract hospitals:			
(a) Civil hospitals	$5,142,709	$4,927,000	$4,927,000
(b) Municipal and State hospitals	1,583,792	1,581,000	1,581,000
(c) Federal hospitals	6,366,142	6,881,000	7,049,000
3. Maintenance and operation of domiciliary facilities:			
(a) Operation of Veterans Administration homes	23,298,859	24,703,000	24,935,000
(b) State homes	5,680,512	6,446,000	6,440,000
Total operating costs	655,818,320	694,200,000	699,570,000
Capital outlay:			
1. Maintenance and operation of hospitals:			
(a) Neuropsychiatric hospitals	3,161,148	2,130,000	2,053,000
(b) Tuberculosis hospitals	754,674	686,000	676,000
(c) General medical hospitals	4,331,644	4,593,000	4,410,000
2. Maintenance and operation of Veterans Administration domiciliary homes	366,093	341,000	341,000
Total capital outlay	8,613,559	7,750,000	7,480,000
Reimbursable costs:			
1. Maintenance and operation of hospitals: (c) General medical hospitals	6,389,722	6,656,000	4,802,000
Total costs	670,821,601	708,606,000	711,852,000
4. Relation of costs to obligations:			
Obligations incurred for costs of other years, net	48,850	50,000	50,000
Total program (obligations)	670,870,451	708,656,000	711,902,000
Financing:			
Advances and reimbursements from—			
Other accounts	−3,216,315	−3,500,000	−3,000,000
Non-Federal sources (38 U. S. C. 701)	−3,173,407	−3,156,000	−1,802,000
Obligations in excess of availability	−580,729		
New obligational authority	663,900,000	702,000,000	707,100,000
New obligational authority:			
Appropriation	$662,900,000	$702,000,000	$707,100,000
Transferred (71 Stat. 179) from—			
"Outpatient care"	275,000		
"General operating expenses"	725,000		
Appropriation (adjusted)	663,900,000	702,000,000	707,100,000

1. *Maintenance and operation of hospitals.*—This covers the operation of all Veterans Administration hospitals. The estimated obligations for 1959 exceed 1958 by a net amount of $2,852,000 after giving consideration to a decrease in the number of operating beds due to modernization work in neuropsychiatric hospitals and the declining demand for care and treatment of tuberculosis patients. The net increases are required for: (1) wage increases for wage administration employees resulting from enactment of Public Law 763, 83d Congress, (2) increased prices of commodities and utility services, (3) payment of civil service retirement costs for an extra pay period, (4) the broader use of new drugs in treatment of specific conditions in which drug therapy is relatively new, (5) the continued decline in reimbursement collections, and (6) the need for additional funds for employee travel. The average employment listed below excludes the equivalent employment of consultants and terminal leave payments.

VETERANS ADMINISTRATION HOSPITALS

	1957 actual	*1958 estimate*	*1959 estimate*
Neuropsychiatric hospitals:			
Average number of operating beds	57,319	57,364	57,000
Average daily patient load	54,518	54,405	54,371
Average employment (net)	39,150	39,229	39,534
Tuberculosis hospitals:			
Average number of operating beds	8,602	8,360	7,007
Average daily patient load	7,493	7,268	6,264
Average employment (net)	9,147	8,970	7,842
General medical and surgical hospitals:			
Average number of operating beds	55,223	56,583	56,903
Average daily patient load	49,254	50,227	50,265
Average employment (net)	67,741	67,895	68,458
Total, Veterans Administration hospitals:			
Average number of operating beds	121,144	122,307	120,910
Average daily patient load	111,265	111,900	110,900
Average employment (net)	116,038	116,094	115,834

2. *Contract hospitalization.*—This covers the hospitalization in other Federal hospitals for service and non-service-connected disabilities where Veterans Administration facilities are not available. It also covers the use of non-Federal hospitals which are limited to treatment of service-connected disabilities, except that female veterans, veterans in training under Public Law 16, 78th Congress, and veterans in United States Territories and possessions may also receive treatment of non-service-connected disabilities. The net increase in the estimated obligations over 1958 of approximately $168,000 is caused by increased costs of hospitalization.

AVERAGE DAILY PATIENT LOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Civil hospitals	1,207	1,158	1,158
Municipal and State hospitals	582	521	522
Other Federal hospitals	1,271	1,324	1,320
Total	3,060	3,003	3,000

3. *Maintenance and operation of domiciliary facilities.*—This covers the cost of domiciliary care of veterans in Veterans Administration facilities and in State institutions. The net increase in the estimated costs over 1958 of approximately $232,000 results from (1) the cost of agency contribution to the civil service retirement fund for an extra pay period, (2) wage increases for wage administration employees, and (3) increases in costs of commodities and services.

DOMICILIARIES

	1957 actual	*1958 estimate*	*1959 estimate*
Average number of operating beds	17,949	17,740	17,740
Average daily member load:			
Veterans Administration domiciliaries	16,908	16,600	16,600
State homes	8,939	9,355	9,200
Average employment (net)	3,891	3,921	3,931

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,072,742	$1,148,653	$1,198,653	$1,248,653
Advances (payments for goods and services on order not yet received)	9,014			
Total selected resources at end of year	1,081,756	1,148,653	1,198,653	1,248,653
Selected resources at start of year (−)		−1,081,756	−1,148,653	−1,198,653
Adjustment of selected resources reported at start of year		−18,047		
Obligations incurred for costs of other years net		48,850	50,000	50,000

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	119,244	119,694	119,455
Full-time equivalent of all other positions	4,707	4,725	4,775
Average number of all employees	122,296	122,255	122,014
Number of employees at end of year	132,805	132,575	132,000
Average GS grade and salary	4.0 $3,860	4.0 $3,880	4.0 $3,892
Average salary of ungraded positions	$4,402	$4,420	$4,486
01 Personal services costs:			
Permanent positions	$481,146,171	$484,579,000	$487,854,000
Positions other than permanent	29,441,284	29,461,000	29,762,000
Other personal services	11,802,869	13,324,000	12,973,000
Total personal services costs	522,390,324	527,364,000	530,589,000
Direct costs:			
01 Personal services	517,310,495	522,299,000	526,947,000
02 Travel:			
Employee	343,708	366,500	400,000
Beneficiary	2,558,406	2,592,500	2,587,000
03 Transportation of things	544,398	583,000	573,000
Shipment of bodies	207,589	220,000	220,000
04 Communication services	2,553,039	2,629,000	2,586,000
05 Rents and utility services	10,490,595	10,665,000	10,529,000
06 Printing and reproduction	121,897	869,000	863,000
07 Other contractual services	24,165,362	24,613,000	24,836,000
Medical and dental fees	565,079	586,000	586,000
08 Supplies and materials	53,851,482	54,472,000	54,644,000
Provisions	46,813,178	47,548,000	47,098,000
09 Equipment	8,613,559	7,750,000	7,480,000
11 Grants, subsidies, and contributions	5,680,512	36,916,000	38,533,000
13 Refunds, awards, and indemnities	439,916		
15 Taxes and assessments	211,323	190,000	168,000
Subtotal	674,470,538	712,299,000	718,050,000
Deduct quarters and subsistence charges	10,038,659	10,349,000	11,000,000
Total direct costs	664,431,879	701,950,000	707,050,000
Reimbursable costs:			
01 Personal services	5,079,829	5,065,000	3,642,000
07 Other contractual services	236,420	225,000	166,000
08 Supplies and materials	536,737	530,000	390,000
Provisions	453,670	450,000	325,000
09 Equipment	83,066	76,000	54,000
11 Grants, subsidies, and contributions		310,000	225,000
Total reimbursable costs	6,389,722	6,656,000	4,802,000
Total costs	670,821,601	708,606,000	711,852,000
Obligations incurred for costs of other years, net	48,850	50,000	50,000
Total obligations	670,870,451	708,656,000	711,902,000

Outpatient Care

[Outpatient care:] For expenses necessary for furnishing outpatient care to beneficiaries of the Veterans Administration, as authorized by law; *purchase of two passenger motor vehicles for replacement only;* uniforms or allowances therefor, as authorized by law; and not to exceed [$206,400] *$220,000* for expenses of travel of employees; [$79,000,000] *$75,798,000. (5 U. S. C. 46a–46e, 50, 58–59a, 73b, 73b–2, 73c, 84–84c, 118j–1, 118p, 118q, 150, 901–957, 2091–2092, 2094, 2121–2123, 2131–2133; 33 U. S. C. 857; 38 U. S. C. 701a, 12A (V. R. 1 (a), part VII); 71 Stat. 88–90, 91–92, 94, 110–114, 117–118, 122, 123, 130–135, 141–144, 144–145, 154–155, 157, 172–173, 491–494; 42 U. S. C. 213; Independent Offices Appropriation Act, 1958; General Government Matters Appropriation Act, 1958.)*

Appropriated 1958, **$79,000,000** Estimate 1959, **$75,798,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Administration	$9,814,929	$9,578,060	$9,422,000
2. Care of patients:			
(a) Medical	54,355,475	58,053,533	57,433,000
(b) Dental	12,704,197	6,883,644	4,406,000
(c) Beneficiary travel	4,442,980	4,560,000	4,484,000
3. Other	45,685	52,763	53,000
Total costs [1]	81,363,266	79,128,000	75,798,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−128,000	
Obligations incurred for costs of other years, net	70,702		
Total program (obligations)	81,433,968	79,000,000	75,798,000
Financing:			
Unobligated balance no longer available	929,032		
New obligational authority	82,363,000	79,000,000	75,798,000

[1] Includes capital outlay as follows: 1957, $1,040,861; 1958, $354,000; 1959, $261,000.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
New obligational authority:			
Appropriation	$82,638,000	$79,000,000	$75,798,000
Transferred to "Inpatient care" (71 Stat. 179)	−275,000		
Appropriation (adjusted)	82,363,000	79,000,000	75,798,000

This appropriation covers the cost of outpatient medical and dental care of veterans with service-connected disabilities and those receiving vocational-rehabilitation benefits. Such care is rendered both in Veterans Administration clinics and by private physicians and dentists on a fee basis and includes examinations to ascertain the need for hospitalization, eligibility for compensation, pension, vocational rehabilitation and insurance benefits.

NUMBER OF INDIVIDUALS

	1957 actual	*1958 estimate*	*1959 estimate*
In Veterans Administration facilities:			
Individuals visiting, medical	1,455,513	1,464,800	1,455,500
Examinations, dental	51,473	34,000	26,400
Treatments, dental	30,015	28,500	26,400
Total	1,537,001	1,527,300	1,508,300
By private physicians and dentists:			
Individuals visiting, medical	584,114	580,700	579,500
Examinations, dental	30,429	20,700	13,800
Treatments, dental	65,851	19,500	7,800
Total	680,394	620,900	601,100

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$597,495	$538,643	$410,643	$410,643
Advances (payments for goods and services on order not yet received)	2,523	981		
Total selected resources at end of year	600,018	539,624	410,643	410,643
Selected resources at start of year (−)	−600,018	−539,624	−410,643	
Adjustment of selected resources reported at start of year		131,096	981	
Costs financed from obligations of other years, net (−)		−128,000		
Obligations incurred for costs of other years, net		70,702		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6,571	6,510	6,147
Full-time equivalent of all other positions	401	377	360
Average number of all employees	8,900	8,817	8,401
Number of employees at end of year	7,370	7,330	6,892
Average GS grade and salary	4.4 $4,209	4.4 $4,222	4.3 $4,236
Average salary of ungraded positions	$10,640	$10,571	$10,574
01 Personal services:			
Permanent positions	$43,723,376	$43,820,000	$42,014,000
Positions other than permanent	2,702,988	2,535,000	2,530,000
Other personal services	102,026	226,000	226,000
Total personal services	46,528,390	46,581,000	44,770,000
02 Travel:			
Employee	194,539	206,400	220,000
Beneficiary	4,442,980	4,560,000	4,484,000
03 Transportation of things	74,224	67,000	67,000
Shipment of bodies	3,946	4,600	4,000
04 Communication services	580,088	559,000	529,000
05 Rents and utility services	265,751	255,000	238,000
06 Printing and reproduction	4,512	80,000	80,000
07 Other contractual services	1,469,138	1,459,000	1,479,000
Medical and dental fees	14,863,074	10,502,000	9,166,000
08 Supplies and materials	11,825,816	11,749,000	11,789,000
09 Equipment	1,040,861	354,000	261,000
11 Grants, subsidies, and contributions		2,697,000	2,700,000
13 Refunds, awards, and indemnities	58,138	42,000	
15 Taxes and assessments	11,809	12,000	11,000
Total costs	81,363,266	79,128,000	75,798,000
Costs financed from obligations of other years, net (−)		−128,000	
Obligations incurred for costs of other years, net	70,702		
Total obligations	81,433,968	79,000,000	75,798,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

MAINTENANCE AND OPERATION OF SUPPLY DEPOTS

[Maintenance and operation of supply depots:] For expenses necessary for maintenance and operation of supply depots, including *purchase of one passenger motor vehicle for replacement only*, uniforms or allowances therefor, as authorized by law, and not to exceed [$5,400] *$8,400* for expenses of travel of employees, [$1,790,000] *$2,136,000*. *(5 U. S. C. 46a–46e, 50, 58–59a, 73b–73c, 75a–75a–1, 78, 78a–1, 84–84c, 118j–1, 118p, 118q, 150, 835–840, 842, 901–957, 2091–2092, 2094, 2121–2123; 71 Stat. 91–92, 94, 130–135, 142–143, 172–173; Independent Offices Appropriation Act, 1958; General Government Matters Appropriation Act, 1958.)*

Appropriated 1958, **$1,790,000** Estimate 1959, **$2,136,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Administrative operations	$232,414	$242,200	$242,200
2. Storage operations	657,505	699,300	726,100
3. Stock control operations	284,962	298,600	298,600
4. Utility operations	322,658	356,000	371,100
5. Marketing activities	121,279	193,900	498,000
Total costs [1]	1,618,818	1,790,000	2,136,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	2,847		
Total program (obligations)	1,621,665	1,790,000	2,136,000
Financing:			
Unobligated balance no longer available	6,335		
Appropriation (new obligational authority)	1,628,000	1,790,000	2,136,000

[1] Includes capital outlay as follows: 1957, $26,529; 1959, $16,300.

This appropriation finances the cost of operating a system of three supply depots through which a portion of the supplies and equipment used in Veterans Administration facilities are centrally procured and distributed. The depots are located in Hines, Ill., Somerville, N. J., and Wilmington, Calif.

The increase of $346,000 in estimated requirements for 1959 is principally for the transfer to the supply depots of 41 marketing division employees previously paid from the general operating expenses and medical administration and miscellaneous operating expenses appropriations.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	---	$2,857	$2,947	$2,947
Advances (payments for goods and services on order not yet received)	$90	90	------	------
Total selected resources at end of year	90	2,947	2,947	2,947
Selected resources at start of year (−)		−90	−2,947	−2,947
Adjustment of selected resources reported at start of year		−10	------	------
Obligations incurred for costs of other years, net		2,847	------	------

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	357	360	403
Average number of all employees	325	337	391
Number of employees at end of year	332	350	400
Average GS grade and salary	5.1 $4,290	5.2 $4,390	5.4 $4,474
Average salary of ungraded positions	$4,379	$4,373	$4,448
01 Personal services:			
Permanent positions	$1,411,937	$1,485,900	$1,762,100
Other personal services	19,329	20,700	24,700
Total personal services	1,431,266	1,506,600	1,786,800
02 Travel	$5,111	$5,400	$8,400
03 Transportation of things	1,682	3,300	7,500
04 Communication services	17,459	28,500	28,500
05 Rents and utility services	55,234	61,200	61,200
06 Printing and reproduction	------	9,000	9,000
07 Other contractual services	9,786	7,800	32,200
08 Supplies and materials	69,960	74,500	74,500
09 Equipment	26,529	------	16,300
11 Grants, subsidies, and contributions	------	92,100	110,700
13 Refunds, awards, and indemnities	949	800	------
15 Taxes and assessments	842	800	900
Total costs	1,618,818	1,790,000	2,136,000
Obligations incurred for costs of other years, net	2,847	------	------
Total obligations	1,621,665	1,790,000	2,136,000

COMPENSATION AND PENSIONS

[Compensation and pensions:] For the payment of compensation, pensions, gratuities, and allowances (including burial awards authorized by [Veterans Regulation Numbered 9 (a), as amended] *title VIII of the Veterans' Benefits Act of 1957 (71 Stat. 117)*, and subsistence allowances authorized by part VII of Veterans Regulation 1 (a), as amended, authorized under any Act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the Act of May 19, 1924, as amended (38 U. S. C. 631 and 661), [$2,826,250,000] *$3,232,000,000*, to remain available until expended. *(10 U. S. C. 3687, 8687; 32 U. S. C. 318; 33 U. S. C. 857; 34 U. S. C. 853e–1, 855c–855c–1, 855c–3; 38 U. S. C. 601–688b, 701a, ch. 12A (V. R. 1 (a), part VII, par. 3), 1101–1103, 1111–1119; 71 Stat. 25, 88–91, 91–92, 93–94, 94–103, 103–110, 117–118, 118–121, 122–124, 125–126, 126–127, 136–139, 139–141, 154–157, 172–175, 424–425, 485–486; 42 U. S. C. 213; Independent Offices Appropriation Act, 1958.)*

Appropriated 1958, **$2,826,250,000** Estimate 1959, **$3,232,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Compensation:			
(a) Living veterans:			
Spanish-American War	$677,033	$560,000	$421,000
World War I	212,900,522	221,121,000	213,937,000
World War II	1,029,012,987	849,198,272	1,121,747,000
Korean conflict	149,585,251	165,857,000	169,724,000
Peacetime service	47,996,050	60,715,000	72,459,000
Subtotal	1,440,171,843	1,297,451,272	1,572,288,000
(b) Deceased veterans:			
Spanish-American War	1,317,785	1,346,000	1,151,000
World War I	58,727,447	64,242,000	61,949,000
World War II	304,803,952	316,473,000	318,630,000
Korean conflict	44,628,377	46,813,000	47,825,000
Peacetime service	25,857,922	35,129,000	39,556,000
Subtotal	435,335,483	464,003,000	469,111,000
Total, compensation	1,875,507,326	1,761,454,272	2,047,399,000
2. Pensions:			
(a) Living veterans:			
Yellow fever experiments	4,600	4,800	4,800
Indian wars	186,727	158,000	132,000
Spanish-American War	66,009,827	60,038,000	53,297,000
World War I	531,029,741	608,739,000	686,489,000
World War II	56,771,352	62,242,000	68,400,000
Korean conflict	2,720,690	3,951,000	5,672,000
Peacetime service	56,899	55,000	52,000
Subtotal	656,779,836	735,187,800	814,046,800
(b) Deceased veterans:			
Mexican War	3,179	3,000	2,000
Indian wars	636,232	609,000	592,000
Civil War	2,831,556	2,683,000	2,477,000
Spanish-American War	53,584,500	53,495,000	53,033,000
World War I	211,061,368	224,502,000	237,513,000
World War II	24,938,252	28,536,000	32,573,000
Korean conflict	661,539	994,000	1,387,000
Peacetime service	45,429	33,000	29,000
Subtotal	293,762,055	310,855,000	327,606,000
Total, pensions	950,541,891	1,046,042,800	1,141,652,800

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
3. Other:			
Emergency officers' disability retirement (World War I)	$3,679,757	$3,552,000	$3,460,000
Adjusted service and dependents pay	1,380	1,200	1,000
Subsistence allowance for disabled veteran trainees	21,629,964	19,760,000	17,940,000
Initial burial allowances	18,979,125	20,471,000	21,547,200
Total, other	44,290,226	43,784,200	42,948,200
Total costs	2,870,339,443	2,851,281,272	3,232,000,000
4. Relation of costs to obligations: Obligations incurred for costs of other years (refund receivables), net	6,023,135		
Total program (obligations)	2,876,362,578	2,851,281,272	3,232,000,000
Financing:			
Unobligated balance brought forward	−7,743,850	−25,031,272	
Unobligated balance carried forward	25,031,272		
New obligational authority	2,893,650,000	2,826,250,000	3,232,000,000
New obligational authority:			
Appropriation	$2,907,000,000	$2,826,250,000	$3,232,000,000
Transferred to—			
"Readjustment benefits" (71 Stat. 237)	−12,500,000		
"Automobiles and other conveyances for disabled veterans" (71 Stat. 180)	−850,000		
Appropriation (adjusted)	2,893,650,000	2,826,250,000	3,232,000,000

This appropriation provides for all compensation, pensions, and allowances, including officers' retirement pay and annuities, and initial burial allowances. On June 30, 1957, there were an estimated 22,633,000 living veterans of all wars and peacetime service and, as of that date, 12.4% of these veterans, or 2,796,514, were receiving benefits under this appropriation. In addition, 1,183,686 dependents of 862,955 deceased veterans were receiving benefits. The cost increase of $125 million in 1959 is primarily attributable to the advancing age of veterans, the discharge of personnel from the Armed Forces, the deaths occurring among veterans in civil life, and the enactment of Public Law 85–168, effective October 1, 1957. This law increased rates of compensation for living veterans by 10% in cases rated 10% to 99% disabled and by 24% in cases rated 100% disabled. It also increased dependency allowances for veterans 50% or more disabled as well as in the majority of statutory award cases. The estimated cost of this law approximates $168 million for 1959 and $127 million during the current year, which is part of an anticipated supplemental of $256 million for 1958 which appears below.

Forecasts of average caseloads and average annual payments per case have been based on analyses of trends in each category, with consideration given to specific conditions likely to affect the separate classes of beneficiaries. The supplemental requirements for 1958 are included in the following statement on compensation; but they are not included in the accompanying "Program and Financing" and "Object Classification" schedules.

1. *Compensation.*—Compensation is payable to living veterans for disability connected with military service and compensation or dependency and indemnity compensation is payable to eligible dependents of deceased veterans for death connected with military service.

Living veterans.—The basic rates of disability compensation provided in wartime cases under Public Law 85–168 range from $19 for 10% disability to $225 per month for total disability. Certain cases are compensated for specific disabilities as prescribed by law, to a maximum of $450 a month. Payable in both types of cases is an additional allowance for dependents of veterans rated 50% or more disabled, to a maximum of $100 a month. All rates of peacetime disability compensation are 80% of wartime rates.

The caseload of living veterans in this category started to decrease in 1957 as expected. It is estimated to continue downward at a slightly accelerated rate in fiscal years 1958 and 1959.

LIVING VETERANS—SERVICE CONNECTED

[Average number of veterans]

	1957 actual	*1958 estimate*	*1959 estimate*
Spanish-American War	310	255	192
World War I	221,104	208,000	194,100
World War II	1,597,979	1,581,900	1,564,500
Korean conflict	189,011	198,500	204,300
Peacetime service	69,314	79,600	92,300
Total	2,077,718	2,068,255	2,055,392
Average payment per case per year	$693.15	$750.96	$767.88
Total costs	$1,440,171,843	$1,553,170,000	$1,578,288,000

Dependents of deceased veterans.—Death compensation or dependency and indemnity compensation is paid to widows, children, and dependent parents of veterans who died in service, or as a result of service-connected disease or injury.

The caseload continues to increase steadily. The continued increase in the average annual payment per case over 1957 reflects the full year effect of Public Law 881, approved August 1, 1956, which provided increased death benefits to the majority of eligible dependents, for only 6 months of 1957. This is a new form of compensation for service-connected death with the rates for a widow partially related to military pay, increased uniform rates for children where there is no eligible widow, and a sliding scale of rates for parents based on specified annual income categories. For comparison, the accompanying table shows the actual average annual payment per case as it was in 1957 and also computed on the experience of the last 6 months of that year.

DEPENDENTS OF DECEASED VETERANS—SERVICE CONNECTED

[Average number of cases]

	1957 actual	*1958 estimate*	*1959 estimate*
Spanish-American War	1,104	930	795
World War I	51,756	49,800	47,800
World War II	276,345	277,900	279,500
Korean conflict	34,609	35,400	36,100
Peacetime service	21,337	24,600	27,700
Total	385,151	388,630	391,895
Actual average payment per case, 1957	$1,130.30		
Average payment per case per year (based on last 6 months experience in 1957)	$1,185.72	$1,193.95	$1,197.03
Total costs	$435,335,483	$464,003,000	$469,111,000

2. *Pensions.*—Benefits are payable to wartime veterans and dependents of deceased veterans for non-service-connected disability and death. The rates and conditions of entitlement outlined below apply to World War I and subsequent periods of service; rates and conditions of entitlement applicable to prior periods vary somewhat and are more liberal.

Living veterans.—In general, pensions are payable to wartime veterans who are unable to secure substantially gainful employment as a result of a permanent and total non-service-connected disability. The basic rate is $66.15 a month, increased to $78.75 if the veteran is 65 years old, or if rated permanent total for a continuous period of 10 years. A rate of $135.45 monthly is payable to veterans requiring regular aid and attendance. Payment of pensions is limited to veterans whose annual income is less than $1,400 if single, or $2,700 if married, or if the person has a minor child.

The caseload continues to increase. Over 95% of the increase is in the World War I category where large num-

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

Compensation and Pensions—Continued

bers of veterans are attaining age 65. The average annual payment per case increases in 1958 and 1959, primarily for the same reason.

LIVING VETERANS—NON-SERVICE-CONNECTED

[Average number of veterans]

	1957 actual	*1958 estimate*	*1959 estimate*
Yellow fever experiments	2	2	2
Indian wars	140	120	100
Spanish-American War	52,773	47,200	41,900
World War I	569,100	639,700	714,200
World War II	62,884	68,700	75,000
Korean conflict	2,716	4,040	5,800
Peacetime service	315	285	270
Total	687,930	760,047	837,272
Average payment per case per year	$954.72	$967.29	$972.26
Total costs	$656,779,836	$735,187,800	$814,046,800

Dependents of deceased veterans.—In World War II and Korean conflict cases, pensions are payable to dependents of deceased wartime veterans, whose death was not due to service-connected causes, but who at the time of death had a service-connected disability. This last requirement is not applicable to World War I cases. Rates vary considerably depending upon the relationship and the number of dependents, and the periods of service. Eligibility for pension is subject to an annual income limitation of $1,400 to a widow without a child or to a child, or $2,700 to a widow with a child or children.

The projected growth of the average caseload is proportionate to recent experience. The average annual payment per case increases somewhat in 1958 over the past fiscal year principally because of the changing distribution of the cases according to period of entitlement.

DECEASED VETERANS—NON-SERVICE-CONNECTED

[Average number of cases]

	1957 actual	*1958 estimate*	*1959 estimate*
Mexican War	9	7	5
Indian wars	1,165	1,115	1,085
Civil War	5,502	5,200	4,800
Spanish-American War	84,683	81,200	80,500
World War I	336,299	358,400	379,900
World War II	35,077	41,000	46,800
Korean conflict	787	1,200	1,700
Peacetime service	92	85	75
Total	463,614	488,207	514,865
Average payment per case per year	$633.63	$636.73	$636.29
Total costs	$293,762,055	$310,855,000	$327,606,000

3. *Other—Emergency officers.*—Emergency officers of World War I retired for service-connected disability are entitled to special retirement benefits at rates substantially higher than the normal compensation payments.

Adjusted service and dependents pay.—Adjusted service credits earned by veterans of World War I are payable from this appropriation. Veterans' claims of $50 or less and dependents' claims of less than $50 are paid in cash. Dependents' claims of $50 or more are paid in 10 equal quarterly installments. A bonus payment of $60 is paid to the dependents of a World War I veteran who died while in service and before July 1, 1919, if an adjusted service credit is certified to the Administrator.

Subsistence allowance.—Subsistence allowance payments to disabled veterans enrolled in vocational rehabilitation and education programs are made from this appropriation.

Initial burial allowance.—The Veterans Administration provides an allowance of $150 (plus transportation charges where death occurs under Veterans Administration care) for the funeral expenses of a deceased veteran. The estimated increases in obligations are based on experienced trends.

OTHER

[Average number of cases]

	1957 actual	*1958 estimate*	*1959 estimat*
Emergency officers	1,664	1,600	1,550
Adjusted service and dependents pay	40	40	40
Subsistence allowance	16,635	14,200	12,800
Initial burial allowance	122,500	132,600	140,700
Total costs	$44,290,226	$43,784,200	$42,948,200

4. *Relation of costs to obligations.*—The year-end balances of refund receivables (overpayments collectible from beneficiaries) are as follows: 1957, $6,023,125; 1958, $6,023,125; 1959, $6,023,125.

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims (total costs)	$2,870,339,443	$2,851,281,272	$3,232,000,000
Obligations incurred for costs of other years, net	6,023,135		
Total obligations	2,876,362,578	2,851,281,272	3,232,000,000

Readjustment Benefits

[Readjustment benefits:] For the payment of benefits to or on behalf of veterans as authorized by titles II, III, and V, of the Servicemen's Readjustment Act of 1944, as amended, and title II of the Veterans Readjustment Assistance Act of 1952, as amended, and for supplies, equipment, and tuition authorized by part VII [and payments authorized by part IX] of Veterans Regulation Numbered 1 (a), as amended, *payments authorized by titles VI and VII of the Veterans' Benefits Act of 1957 (71 Stat. 114–116)*, and for benefits authorized by the War Orphans' Educational Assistance Act of 1956, [$784,047,000] *$717,960,000*, to remain available until expended: *Provided, That the unexpended balance as of June 30, 1958, in the appropriation for "Automobiles and other conveyances for disabled veterans", shall be merged with this appropriation. (38 U. S. C. 857; 38 U. S. C. 694–694o, 696–696m, 697 (b), 697a–697g, 701a, ch. 12A (V. R. 1 (a), parts VII–VIII), 911–984, 1031–1084; 71 Stat. 88–90, 91–92, 93–94, 114–116, 120–121, 122–123, 125–126, 126–127, 136–137, 157, 172–173, 474; 42 U. S. C. 213; Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$784,047,000** Estimate 1959, [a] **$717,960,000**

[a] Includes $432,598 for activities previously carried under "Automobiles and other conveyances for disabled veterans."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Education and training:			
(a) World War II education	$6,907,571	$1,130,000	$282,000
(b) Korean conflict veterans	767,197,066	692,084,454	615,576,000
(c) War orphans	2,351,453	5,940,000	9,240,000
Total, education and training	776,456,090	699,154,454	625,098,000
2. Loan guaranty	60,125,296	80,340,000	81,555,000
3. Special assistance to disabled veterans:			
(a) Vocational rehabilitation	8,980,949	7,940,000	7,023,000
(b) Housing grants	4,157,362	4,275,000	4,085,000
(c) Automobiles and other conveyances for disabled veterans	1,000,018	687,916	432,598
Total, special assistance to disabled veterans	14,138,329	12,902,916	11,540,598
Total costs	850,719,715	792,397,370	718,193,598
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−71,916	
Obligations incurred for costs of other years, net	3,004,882		
Total program (obligations)	853,724,597	792,325,454	718,193,598
Financing:			
Comparative transfers from (−) other accounts	−920,054	−616,000	
Unobligated balance brought forward	−7,966,997	−7,662,454	
Unobligated balance transferred from "Automobiles and other conveyances for disabled veterans" (1959 appropriation act)			−233,598
Unobligated balance carried forward	7,662,454		
New obligational authority	852,500,000	784,047,000	717,960,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
New obligational authority:			
Appropriation	$840,000,000	$784,047,000	$717,960,000
Transferred from "Compensation and pensions" (71 Stat. 237)	12,500,000		
Appropriation (adjusted)	852,500,000	784,047,000	717,960,000

These benefits cover cost of subsistence, tuition, supplies, and equipment for the training of World War II veterans; education and training allowances for Korean conflict veterans; educational assistance allowance for eligibles under the War Orphans' Educational Assistance Act of 1956; gratuities, claims, and property acquisition costs on veterans' loans; special assistance to disabled veterans in the form of tuition and supplies and equipment for those requiring vocational rehabilitation, housing grants, and automobiles and other conveyances.

1. *Education and training.*—The number of World War II veterans receiving education and training has diminished to a negligible number. It is estimated that the number of Korean conflict veterans receiving benefits will decline gradually during the next few years. Indications point to a moderate increase in trainees benefiting from the recently enacted War Orphans' Educational Assistance Act, effective October 1, 1956. The average unit cost per trainee of World War II veterans was high in 1957 because of payments made for training received in the prior fiscal year. The unit cost also was high during this same period for war orphan trainees because of the disproportionate amount of retroactive payments which characterized the early months of the program. Load forecasts of trainees are based upon an analysis of trends in each of the major categories as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
World War II education:			
Average number of trainees	3,852	1,000	250
Average cost per trainee	$1,793.24	$1,130	$1,128
Total cost	$6,907,571	$1,130,000	$282,000
Korean conflict veterans:			
Higher learning	304,554	297,500	254,000
Below college	176,656	166,500	146,000
Institutional on-farm	37,528	33,000	28,000
Job training	55,748	43,000	32,000
Total	574,486	540,000	460,000
Average cost per trainee	$1,335.45	$1,337	$1,338
Total cost	$767,197,066	$721,832,000	$615,576,000
War orphans:			
Average number of trainees	1,206	4,500	7,000
Average cost per trainee	$1,949.80	$1,320	$1,320
Total cost	$2,351,453	$5,940,000	$9,240,000

The workload and cost data shown, based on the latest analyses and projections of the number of veterans who will be in training during the current year, reflect the need for an anticipated 1958 supplemental of approximately $30 million.

2. *Loan guaranty.*—Home, farm, and business loans are guaranteed or insured by the Veterans Administration. The payment of claims and the acquisition of loans and properties result from failure of veteran borrowers to maintain their mortgage obligations, thus creating liability on the part of the Government as guarantor or insurer. Budget forecasts are based on the relatively low default ratio experienced during the program. The number and cost of loan guaranty direct benefit payments follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Interest gratuities:			
Number of gratuity payments	425	----------	----------
Average cost per payment	$155.26	----------	----------
Total cost	$65,984	----------	----------
Claims paid:			
Number of claims paid	6,668	8,300	8,325
Average cost per payment	$1,227.35	$1,230	$1,240
Total cost	$8,183,945	$10,209,000	$10,323,000
Loans and properties acquired:			
Number of acquisitions	5,690	7,690	7,770
Average cost per acquisition	$9,116.94	$9,120	$9,168
Total cost	$51,875,367	$70,131,000	$71,232,000

The increase in average cost for claims as well as loan and property acquisitions bears a direct relationship to the steady price index rise in the housing market.

Though these expenditures are paid from appropriated funds, they do not represent full loss to the Government, since the proceeds from liquidation of assets are deposited into the general fund receipts of the Treasury as shown below:

	1957 actual	*1958 estimate*	*1959 estimate*
Expenditures from appropriated funds	$60,061,343	$80,340,000	$81,555,000
Less returns to general fund receipts	17,347,270	21,000,000	24,000,000
Net appropriation expenditures	42,714,073	59,340,000	57,555,000

As of June 30, 1957, cumulative expenditures for claims and acquisitions totaled $247,455,078, however, total cash receipts of $83,892,127 had been returned to the Treasury. Against the resulting cash deficit of $163,562,951, Veterans Administration held assets worth $152,505,377. These assets consisted of real property, cash, and loans and accounts receivable. Actual 1957 and estimated 1958 and 1959 operations are compared in the folowing condensed statement of income and expense, and financial condition.

Condensed Statement of Income and Expense and Financial Condition

	1957 actual	1958 estimate	1959 estimate
Income:			
Sale of real estate and property rights	$39,383,177	$63,100,000	$71,200,000
Interest on loans and claims	4,619,173	6,500,000	9,000,000
Other income	429,472	500,000	600,000
Total income	44,431,822	70,100,000	80,800,000
Expense:			
Direct operating costs	4,427,298	6,500,000	9,000,000
Cost of sales	36,610,265	58,700,000	66,200,000
Losses on acquired security and collateral	42,549	50,000	60,000
Total expense	41,080,112	65,250,000	75,260,000
Net income before adjustment	3,351,710	4,850,000	5,540,000
Less reserve for losses	9,762,942	4,000,000	4,500,000
Net income or loss (−)	−6,411,232	850,000	1,040,000
Analysis of deficit:			
Deficit (−), beginning of year	−6,774,512	−13,192,405	−12,342,405
Adjustment of prior year expense	−6,661	----------	----------
Deficit (−), end of year	−13,192,405	−12,342,405	−11,302,405
Assets:			
Cash	$2,184,775	$3,360,546	$4,955,546
Loans receivable	106,796,414	153,000,000	203,500,000
Accounts receivable (net)	7,819,231	10,000,000	12,000,000
Real estate owned and in process	35,704,957	47,000,000	52,000,000
Total assets	152,505,377	213,360,546	272,455,546
Liabilities:			
Trust liabilities	1,782,150	2,300,000	2,600,000
Deferred and undistributed credits	352,681	500,000	700,000
Total liabilities	2,134,831	2,800,000	3,300,000
Government investment:			
Appropriation	247,455,078	327,795,078	409,350,078
Less returned to general fund receipts	83,892,127	104,892,127	128,892,127
Net appropriation	163,562,951	222,902,951	280,457,951
Deficit (−)	−13,192,405	−12,342,405	−11,302,405
Total Government investment	150,370,546	210,560,546	269,155,546
Total liabilities and Government investment	152,505,377	213,360,546	272,455,546

3. *Special assistance to disabled veterans.*—Disabled veterans requiring vocational rehabilitation are provided educational assistance for tuition, supplies, and equipment. Assistance also is available to provide grants for specially adapted housing to veterans having suffered the loss of both feet, and to paraplegic veterans. In addition, up to $1,600 is allowed certain disabled veterans toward the purchase of automobiles or other conveyances. The separate appropriation heretofore covering this benefit is being abolished and the activity combined with this

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

READJUSTMENT BENEFITS—Continued

appropriation. Based on an analysis of trends, load forecasts, and average costs, total requirements are projected as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Tuition:			
Average number of trainees paid tuition (job training excluded)	12,927	11,000	9,700
Average cost per trainee	$601.84	$625	$625
Total cost	$7,780,048	$6,875,000	$6,063,000
Supplies and equipment:			
Average number of trainees	16,635	14,200	12,800
Average cost per trainee	$72.19	$75	$75
Total cost	$1,200,901	$1,065,000	$960,000
Housing grants:			
Number of housing grants	444	450	430
Average cost per grant	$9,363.43	$9,500	$9,500
Total cost	$4,157,362	$4,275,000	$4,085,000
Automobiles and other conveyances:			
Total number of conveyances	625	430	271
Average cost per conveyance	$1,600	$1,600	$1,600
Total cost	$1,000,018	$687,916	$432,598

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Accounts receivable (benefit overpayments collectible)	----	$2,885,239	$2,885,239	$2,885,239
Unpaid authorizations (approved authorizations for paraplegic housing and automobiles or other conveyances)	$619,551	739,194	667,278	667,278
Total selected resources at end of year	619,551	3,624,433	3,552,517	3,552,517
Selected resources at start of year (−)		−619,551	−3,624,433	−3,552,517
Costs financed from obligations of other years, net (−)			−71,916	
Obligations incurred for costs of other years, net		3,004,882		

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$780,613,452	$703,429,454	$629,183,000
12 Pensions, annuities, and insurance claims	70,106,263	88,967,916	89,010,598
Total costs	850,719,715	792,397,370	718,193,598
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−71,916	
Obligations incurred for costs of other years, net	3,004,882		
Total obligations	853,724,597	792,325,454	718,193,598

VETERANS' INSURANCE AND INDEMNITIES

For military and naval insurance; for the payment of benefits and for transfer to the national service life insurance fund, in accordance with the National Service Life Insurance Act of 1940, as amended; and for payment of liabilities under the Servicemen's Indemnity Act of 1951; $51,100,000, to remain available until expended: Provided, That the unexpended balances as of June 30, 1958, in the appropriations for "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities" shall be merged with this appropriation: Provided further, That certain premiums provided by law to be credited to any of the above appropriations shall be credited to this appropriation: Provided further, That this appropriation shall be subject to the same statutory provisions and shall be available for the same purpose as formerly applied to the aforenamed appropriations. (38 U. S. C. 857; 34 U. S. C. 841f, 853c–6, 1020k; 38 U. S. C. 511–518, 801–824, 851–858, 1101 note; 42 U. S. C. 213; 71 Stat. 485–486; Independent Offices Appropriation Act, 1958.)

Estimate 1959, [a] **$51,100,000**

[a] Estimate is for activities previously carried under "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Military and naval insurance:			
(a) Payments to "United States Government life insurance fund"	$644,145	$700,000	$710,000
(b) Direct payments to policyholders and beneficiaries	3,792,208	3,632,000	3,638,167
Total, military and naval insurance	4,436,353	4,332,000	4,348,167
2. National service life insurance:			
(a) Payments to "National service life insurance fund"	19,348,952	14,676,291	11,930,810
(b) Direct payments to policyholders and beneficiaries	729,112	736,625	735,878
Total, national service life insurance	20,078,064	15,412,916	12,666,688
3. Servicemen's indemnities—payments to beneficiaries	35,891,610	35,557,903	35,846,881
4. Writeoff of loans and liens	3,128	----	----
Total operating costs	60,409,155	55,302,819	52,861,736
Capital outlay:			
Acquisition of loans and liens	213,528	200,000	200,000
Repayments (−)	−160,355	−175,147	−175,000
Payments effected by income offset (−)	−11,504	−12,000	−10,000
Total capital outlay	41,669	12,853	15,000
Total program (costs—obligations)	60,450,824	55,315,672	52,876,736
Financing:			
Comparative transfers from (−) other accounts	−60,450,824	−55,315,672	----
Unobligated balance transferred from (proposed)—			
"Military and naval insurance"	----	----	−651,167
"National service life insurance"	----	----	−555,569
Appropriation (new obligational authority)			
Annual definite	----	----	51,100,000
Permanent indefinite	----	----	570,000

1. *Military and naval insurance.*—Payments are made for claims on war-risk insurance issued to servicemen and veterans of World War I. Although no policies of this insurance remain in force, payments for death and disability claims continue.

(a) *Payments to United States Government life insurance fund.*—Transfers are made to the United States Government life insurance fund to reimburse the fund for claims (1) traceable to the extra hazards of military service and (2) arising on certain policies held by personnel in active military service. The cash amount of payment made during the year is an obligation of this account. The corresponding trust fund receipt is presented on an accrued basis.

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Death and disability awards	427	451	454
Average payment per award	$1,508	$1,552	$1,564

(b) *Direct payments to policyholders and beneficiaries.*—Payments of $5.75 per month per $1,000 of war-risk insurance held are made to veterans becoming permanently and totally disabled for as long as the disability shall continue. Upon the death of a veteran receiving payments for disability, the remaining value of the policy is paid to the beneficiary as a death award.

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Average number of disability awards	6,785	6,745	6,754
Average number of death awards	65	60	60
Annual average payment per disability award	$546	$537	$537
Annual average payment per death award	$1,354	$167	$183

2. *National service life insurance.*—This appropriation pays certain expenses of the national service life insurance

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fund and receives premiums and pays claims on nonparticipating insurance policies issued to certain disabled veterans of World War II. The permanent indefinite appropriation of premium receipts is authorized.

(a) Payments to national service life insurance fund.—(1) For death claims traceable to extra hazard of service an amount is transferred from this appropriation, which, when added to the reserve of the policy, is equal to the actuarial value of the claim. In the event of total disability traceable to the extra hazards of service, an amount is transferred from this appropriation sufficient to meet the current payments from the fund. (2) Gratuitous insurance was issued to aviation cadets and to certain persons who were unable to make application for national service life insurance. (3) The fund is reimbursed when recovery of erroneous payments or overpayments is waived. (4) The fund is reimbursed for death claims on policies under waiver of premiums while the insured is on active military duty. The enactment of the Servicemen's and Veterans' Survivor Benefits Act has substantially reduced appropriation requirements for this purpose.

The cash amount of payment made during the year is an obligation of this account. The corresponding trust fund receipt is presented on an accrual basis.

Description	Average payment per case, 1957	Caseload 1957 actual	Caseload 1958 estimate	Caseload 1959 estimate
(1) Claims for extra hazards of service:				
(a) Death awards	$6,732	443	828	787
(b) Disability awards	137	24,233	23,412	22,565
(2) Gratuitous insurance	3,003	274	220	176
(3) Waiver of overpayments	2,446	48	41	41
(4) Death while under waiver of premiums	6,726	1,800	763	433

(b) Direct payments to policyholders and beneficiaries.—(1) Claims are paid on nonparticipating national service life insurance policies issued to World War II veterans with service-connected disabilities. (2) Claims may be paid in certain instances in which applicants for insurance were rejected for medical reasons and subsequently died in line of duty. (3) Claims are paid on deaths which occurred after application but before effective date of national service life insurance policies. (4) Claims may be paid in certain cases in which insurance was discontinued because the insured was discharged to accept a commission, was absent without leave, or was court-martialed.

Description	Average payment per case, 1957	Caseload 1957 actual	Caseload 1958 estimate	Caseload 1959 estimate
(1) Claims on nonparticipating national service life insurance:				
(a) Death awards	$2,221	102	106	106
(b) Disability awards	450	161	158	170
(2) Claims from applicants rejected for medical reasons who died in line of duty	463	145	155	155
(3) Claims where applicant died between date of application and effective date	519	348	342	342
(4) Claims on discontinued insurance	490	345	363	363

3. *Servicemen's indemnities.*—Beneficiaries of servicemen who died prior to January 1, 1957, while in active service or within a period of 120 days after separation from active service are entitled to receive an indemnity of $10,000 less any national service life insurance and/or United States Government life insurance carried by the deceased. Payments are made to beneficiaries in 120 equal installments, plus interest at the rate of 2¼% per annum. Although very few new awards will be authorized in 1958 and 1959, as a result of the enactment of the Servicemen's and Veterans' Survivor Benefits Act, the payments on awards to January 1, 1957, are expected to remain at the level of about $36 million annually through 1960. Payments will decrease annually, as installments are completed, beginning in 1961. A supplemental appropriation of $2,250,000 is anticipated for this activity in 1958, and appears below.

Description	1957 actual	1958 estimate	1959 estimate
Average number of death cases with running awards	34,225	33,325	36,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions:			
(a) Payment to "United States Government life insurance fund"	$644,145	$700,000	$710,000
(b) Payment to "National service life insurance fund"	19,348,952	14,676,291	11,930,810
12 Pensions, annuities, and insurance claims	40,412,930	39,926,528	40,220,926
16 Investments and loans	216,656	200,000	200,000
Subtotal	60,622,683	55,502,819	53,061,736
Less—			
Repayments	160,355	175,147	175,000
Payments effected by income offset	11,504	12,000	10,000
Total obligations	60,450,824	55,315,672	52,876,736

Grants to the Republic of the Philippines

[Grants to the Republic of the Philippines:] For payment to the Republic of the Philippines of grants in accordance with the Act of July 1, 1948, as amended (50 U. S. C. App. 1991–1996), for expenses incident to medical care and treatment of veterans, [$1,500,000] *$1,250,000. (Independent Offices Appropriation Act, 1958.)*

Appropriated 1958, **$1,500,000** Estimate 1959, **$1,250,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Medical care and treatment of veterans	$2,000,000	$1,500,000	$1,250,000
2. Construction and equipping of hospitals	290,270	9,964	
Total program (costs—obligations)	2,290,270	1,509,964	1,250,000
Financing:			
Unobligated balance brought forward	−300,234	−9,964	
Unobligated balance carried forward	9,964		
Appropriation (new obligational authority)	2,000,000	1,500,000	1,250,000

The Philippine Government has received $9,400,000 for the construction and equipping of a veterans' hospital which is now in operation. It also receives a gradually decreasing amount per annum until December 31, 1959, for the medical care and treatment of certain veterans in the Philippines. For 1959, this amount will be $1,250,000 as compared with $1,500,000 in 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$2,290,270	$1,509,964	$1,250,000

Construction of Hospital and Domiciliary Facilities

[Hospital and domiciliary facilities:] For hospital and domiciliary facilities, for planning *and for major alterations, improvements, and repairs* and [for] extending any of the facilities under the jurisdiction of the Veterans Administration or for any of the purposes set forth in sections [1 and 2 of the Act approved March 4, 1931 (38 U. S. C. 438j–k) or in section 101 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a), to remain available until expended, $42,500,000] *1701–1703 of the Veterans Benefits Act of 1957 (71 Stat. 141), $9,145,000, to remain available until expended: Provided, That the unexpended balance as of June 30, 1958, in the appropriation for "Major alterations, improvements, and repairs" shall be merged with this appropriation. (71 Stat. 141–142, 172–173; Independent Offices Appropriation Act, 1958.)*

Appropriated 1958, **$42,500,000** Estimate 1959, [a] **$9,145,000**

[a] Includes $3,728,651 for activities previously carried under "Major alterations, improvements, and repairs." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

CONSTRUCTION OF HOSPITAL AND DOMICILIARY FACILITIES—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			Appropriation required to complete
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation, 1959	
Program by activities:									
1. Construction of new hospitals	$374,750,069	$262,422,189	$15,715,324	$9,919,850	$9,315,413	$47,247,706	$37,662,293	−$270,000	$39,715,000
2. Replacement of existing hospitals	197,343,000	287,376	5,605,060	2,829,199	6,185,000	51,345,365	50,050,365	4,890,000	132,386,000
3. Modernization, improvements, and repairs:									
(*a*) Major (costing over $300,000)	132,646,995	27,295,782	13,118,081	16,376,914	17,836,395	53,856,218	37,999,823	1,980,000	20,020,000
(*b*) Minor	21,429,918	7,253,717	3,360,525	3,779,155	3,818,033	4,491,521	3,218,488	2,545,000	
(*c*) Regional offices and supply depots	721,434	78,099	148,130	333,253	124,427	161,952	37,525		
4. Initial portable equipment	13,086,213	4,882,774	1,150,587	2,940,904	1,964,148	4,111,948	2,147,800		
Total program costs	739,977,629	302,219,937	39,097,707	36,179,275	39,243,416	161,214,710	131,116,294	9,145,000	192,121,000
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			−17,455,578						
Obligations incurred for costs of other years, net				28,820,725	10,756,584				
Total program (obligations)			21,642,129	65,000,000	50,000,000				
Financing:									
Comparative transfers from (−) other accounts			−3,760,543	−4,023,860					
Unobligated balance brought forward			−89,664,267	−123,417,681	−104,941,541				
Unobligated balance transferred from "Major alterations, improvements, and repairs" (proposed)					−2,880,239				
Unobligated balance carried forward			123,417,681	104,941,541	66,966,780				
Appropriation (new obligational authority)			51,635,000	42,500,000	9,145,000				

These funds provide for the construction of new hospital and domiciliary facilities and replacement of existing hospitals, including acquisition of sites, conversion of existing facilities, modernization, improvements, and major repairs of existing facilities (including regional offices and supply depots), and for fixed and initial portable equipment at such facilities.

1. *Construction of new hospitals.*—This activity includes post-World War II new beds and conversion programs which consists of 77 new hospitals that provide approximately 38,040 new beds and 12 conversion projects. The status of the construction program for new hospital beds is as follows:

STATUS OF NEW BEDS PROVIDED

	1957 actual	*1958 estimate*	*1959 estimate*
Under construction at beginning of year	1,250	1,000	1,000
Put under construction during year	------	1,000	------
Completed during year	250	1,000	------
Total completed at end of year	33,740	34,740	34,740
Under construction at end of year	1,000	1,000	1,000
Not under construction at end of year	3,300	2,300	2,300

2. *Replacement of existing hospitals.*—This activity includes 9 projects that provide for replacement of approximately 7,296 beds (815 neuropsychiatric, 6,131 general medical and surgical, and 350 domiciliary) housed in temporary, obsolete, or hazardous structures. The following table shows the status of this program:

STATUS OF REPLACEMENT BEDS PROVIDED

	1957 actual	*1958 estimate*	*1959 estimate*
Under construction at beginning of year	561	561	815
Put under construction during year	-----	815	500
Completed during year	-----	561	-----
Total completed at end of year	-----	561	561
Under construction at end of year	561	815	1,315
Not under construction at end of year	6,735	5,920	5,420

3. *Modernization, improvements, and repairs.*—This activity provides for modernization, improvements, and major repairs principally to bring selected old hospitals, insofar as possible, up to the standards of the new hospitals. This program was undertaken in 1953 and has 508 projects including the proposed 1959 program. The status of the program is as follows:

STATUS OF MODERNIZATION, IMPROVEMENTS, AND REPAIRS PROGRAM

	Number of projects	*Amount*
Physically and financially completed June 30, 1957	239	$22,434,000
Physically completed June 30, 1957	13	1,450,400
Under construction June 30, 1957	116	46,450,300
Scheduled to be placed under construction, 1958	52	15,805,100
Scheduled to be placed under construction, 1959	66	44,868,900
To be placed under construction, future years	22	23,789,300

4. *Initial portable equipment.*—This activity provides initial portable equipment for all projects approved prior to 1957.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$40,027,783	$22,572,205	$51,392,930	$62,149,514
Advances (payments for goods and services on order not yet received)	2,000,000	2,000,000	2,000,000	2,000,000
Total selected resources at end of year	42,027,783	24,572,205	53,392,930	64,149,514
Selected resources at start of year (−)		−42,027,783	−24,572,205	−53,392,930
Costs financed from obligations of other years, net (−)		−17,455,578		
Obligations incurred for costs of other years, net			28,820,725	10,756,584

Object Classification

		1957 actual	1958 estimate	1959 estimate
	VETERANS ADMINISTRATION			
	Total number of permanent positions	333	300	271
	Full-time equivalent of all other positions	20	100	100
	Average number of all employees	315	380	343
	Number of employees at end of year	274	358	314
	Average GS grade and salary	9.0 $6,399	9.0 $6,450	9.2 $6,593
01	Personal services:			
	Permanent positions	$1,912,588	$1,786,850	$1,535,365
	Positions other than permanent	101,661	520,000	520,000
	Other personal services	2,814	9,570	8,605
	Total personal services	2,017,063	2,316,420	2,063,970
02	Travel	47,128	88,000	88,000
03	Transportation of things	180	2,500	2,500

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
	VETERANS ADMINISTRATION—continued			
04	Communication services	$4,035	$7,000	$7,000
05	Rents and utility services	762	10,000	10,000
06	Printing and reproduction			
07	Other contractual services	1,871,537	1,936,540	4,685,247
08	Supplies and materials	124,451	300,000	300,000
09	Equipment	1,150,587	2,940,904	2,421,548
10	Lands and structures	33,746,442	28,342,877	29,358,438
11	Grants, subsidies, and contributions		115,200	97,100
13	Refunds, awards, and indemnities	648		
15	Taxes and assessments	2,730	10,000	10,000
	Total costs, Veterans Administration	38,965,563	36,069,441	39,043,803
	ALLOCATION TO DEPARTMENT OF THE ARMY			
07	Other contractual services: Services performed by revolving fund, Corps of Engineers	2,411	15,050	34,167
10	Lands and structures	129,733	94,784	165,446
	Total costs, Department of the Army	132,144	109,834	199,613
	Total costs	39,097,707	36,179,275	39,243,416
	Costs financed from obligations of other years, net (−)	−17,455,578		
	Obligations incurred for costs of other years, net		28,820,725	10,756,584
	Total obligations	21,642,129	65,000,000	50,000,000

Major Alterations, Improvements, and Repairs

[Major alterations, improvements, and repairs: For all necessary expenses of major alterations, improvements, and repairs to regional offices, supply depots, and hospital and domiciliary facilities, $2,028,000, to remain available until expended: *Provided*, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans Administration is reasonably certain that the installation will be abandoned in the near future.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$2,028,000**

NOTE.—Estimate of $3,728,651 for activities previously carried under this title has been transferred in the estimates to "Construction of hospital and domiciliary facilities." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$3,760,543	$4,023,860	
Unobligated balance brought forward	−4,103,642	−4,876,099	−$2,880,239
Unobligated balance transferred to "Construction of hospital and domiciliary facilities" (1959 appropriation)			2,880,239
Unobligated balance carried forward	4,876,099	2,880,239	
Appropriation (new obligational authority)	4,533,000	2,028,000	

Military and Naval Insurance

[Military and naval insurance: For military and naval insurance, $4,275,000, to remain available until expended.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$4,275,000**

NOTE.—Estimate of $3,697,000 for activities previously carried under this title has been transferred in the estimates to "Veterans' insurance and indemnities." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$4,413,945	$4,350,000	
Unobligated balance brought forward	−140,112	−726,167	−$651,167
Unobligated balance transferred to "Veterans insurance and indemnities" (1959 appropriation)			651,167
Unobligated balance carried forward	726,167	651,167	
Appropriation (new obligational authority)	5,000,000	4,275,000	

National Service Life Insurance

[National service life insurance: For the payment of benefits and for transfer to the national service life insurance fund, in accordance with the National Service Life Insurance Act of 1940, as amended, $7,600,000, to remain available until expended: *Provided*, That certain premiums shall be credited to this appropriation as provided by the Act.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$7,600,000**

NOTE.—Estimate of $12,126,119 for activities previously carried under this title has been transferred in the estimates to "Veterans' insurance and indemnities." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$20,145,269	$15,407,769	
Unobligated balance brought forward	−4,075,036	−7,793,338	−$555,569
Unobligated balance transferred to "Veterans insurance and indemnities" (1959 appropriation)			555,569
Unobligated balance carried forward	7,793,338	555,569	
Appropriation (new obligational authority):			
Annual definite	23,200,000	7,600,000	
Permanent indefinite	663,571	570,000	

Servicemen's Indemnities

[Servicemen's indemnities: For payment of liabilities under the Servicemen's Indemnity Act of 1951, $29,877,500, to remain available until expended.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$29,877,500**

NOTE.—Estimate of $35,846,881 for activities previously carried under this title has been transferred in the estimates to "Veterans' insurance and indemnities." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$35,891,610	$35,557,903	
Unobligated balance brought forward	−14,822,013	−5,680,403	
Unobligated balance carried forward	5,680,403		
Appropriation (new obligational authority)	26,750,000	29,877,500	

Automobiles and Other Conveyances for Disabled Veterans

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfer to other accounts	$920,054	$616,000	
Unobligated balance brought forward	−919,652	−849,598	−$233,598
Unobligated balance transferred to "Readjustment benefits" (1959 appropriation)			233,598
Unobligated balance carried forward	849,598	233,598	
New obligational authority	850,000		
New obligational authority:			
Appropriation	$0		
Transferred from "Compensation and pensions" (71 Stat. 180)	850,000		
Appropriation (adjusted)	850,000		

Veterans Administration Miscellaneous Accounts

NOTE.—Includes balances of "Military and naval family allowance."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Refund of repayment of subsistence allowances (total costs—obligations)	$19,871	$10,129	

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

VETERANS ADMINISTRATION MISCELLANEOUS ACCOUNTS—Con.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward		$10,129	
Recovery of prior year obligations	−$10		
Unobligated balance no longer available	10		
Unobligated balance carried forward	10,129		
Appropriation (new obligational authority)	30,000		

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$19,871	$10,129	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, as follows:
"Operations," Federal Civil Defense Administration.
"Emergency supplies and equipment," Federal Civil Defense Administration.
"Salaries, expenses, and grants," National Cancer Institute, Public Health Service.
"Payments to school districts," Office of Education.

ADMINISTRATIVE PROVISIONS

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", [“Military and naval insurance", "National service life insurance", and "Servicemen's indemnities"] *and "Veterans' insurance and indemnities"* may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented, and not to exceed $500,000 of the appropriation [“National service life insurance"] *"Veterans' insurance and indemnities"* for the current year may be transferred to "Service-disabled veterans insurance fund."

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

Appropriations available to the Veterans Administration for the current fiscal year for "Inpatient care" and "Outpatient care" shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by [Veterans Regulation Numbered 9 (a), as amended] *title VIII, Veterans' Benefits Act of 1957 (71 Stat. 117)* (38 U. S. C., chap. 12A)), for beneficiaries of the Veterans Administration receiving care under such appropriations.

No part of the appropriations in this Act for the Veterans Administration (except the appropriation for [“Hospital and domiciliary facilities"] *"Construction of hospital and domiciliary facilities"*) shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs. (*Independent Offices Appropriation Act, 1958.*)

Public enterprise funds:

CANTEEN SERVICE REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Sales program:			
Cost of goods sold	$22,316,447	$22,612,694	$22,612,694
Direct operating expense	7,489,829	7,723,908	7,801,566
Indirect operating expense	1,232,919	1,390,043	1,416,846
Total operating costs	31,039,195	31,726,645	31,831,106

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Operating costs—continued			
Depreciation included above (−)	−$521,903	−$541,929	−$557,944
Adjustment of cost included above not requiring funding	−755	4,000	4,000
Total operating costs, funded	30,516,537	31,188,716	31,277,162
Capital outlay: Sales program: Acquisition of equipment	478,744	665,485	563,029
Equipment transferred in (−) without charge, net	−545		
Total, capital outlay, funded	478,199	665,485	563,029
Total program costs, funded	30,994,736	31,854,201	31,840,191
Relation of costs to obligations: Obligations incurred for costs of other years, net	317,503	403,074	25,000
Total program (obligations)	31,312,239	32,257,275	31,865,191
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	31,873,943	32,229,611	32,229,611
Other receipts	120,010	120,673	120,673
Total amounts becoming available	31,993,953	32,350,284	32,350,284
Unobligated balance brought forward	3,036,742	3,104,668	2,453,162
Total amounts available	35,030,695	35,454,952	34,803,446
Capital transfer:			
Repayment of investment to Treasury (−)	−613,788	−385,386	
Payment of profits to Treasury (−)		−359,129	−799,134
Unobligated balance carried forward	−3,104,668	−2,453,162	−2,139,121
Financing applied to program	31,312,239	32,257,275	31,865,191

The Veterans Canteen Service furnishes merchandise and services for the comfort and well-being of veterans in hospitals and domiciliaries of the Administration (60 Stat. 888).

The Congress originally appropriated $4,965,000 for the operation of the Veterans Canteen Service of which $4,579,614 has been returned. The amount of $744,515 will be returned during 1958, which will liquidate the balance of the funds appropriated and, in addition, will reflect a return of excess funds of $359,129. The 1959 estimate anticipates a further repayment of $799,134.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories	$3,369,654	$3,488,969	$3,866,538	$3,866,538
Unpaid undelivered orders	707,721	908,153	933,153	958,153
Prepaid expenses and other assets	40,739	38,495	39,000	39,000
Total selected resources at end of year	4,118,114	4,435,617	4,838,691	4,863,691
Selected resources at start of year (−)		−4,118,114	−4,435,617	−4,838,691
Obligations incurred for costs of other years, net		317,503	403,074	25,000

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$478,199	$665,485	$563,029
Expense:			
Purchase of commodities for sale	22,435,762	22,990,263	22,612,694
Other	8,200,090	8,576,022	8,664,468
Increase in selected working capital	145,671		
Total gross expenditures	31,259,722	32,231,770	31,840,191
Receipts from operations (funds provided):			
Sales program:			
Revenue	31,873,943	32,229,611	32,229,611
Proceeds from sale of equipment	18,220	24,000	24,000
Miscellaneous income	101,790	96,673	96,673
Decrease in selected working capital		195,297	24,999
Total receipts from operations	31,993,953	32,545,581	32,375,283
Budget expenditures	−734,231	−313,811	−535,092

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Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Sales program:			
Revenue	$31,873,943	$32,229,611	$32,229,611
Expense	31,038,440	31,730,645	31,835,106
Net operating income, sales program	835,503	498,966	394,505
Nonoperating income or loss (−):			
Proceeds from sale of equipment	18,220	24,000	24,000
Net book value of assets sold (−)	−18,975	−20,000	−20,000
Net gain or loss (−) from sale of equipment	−755	4,000	4,000
Miscellaneous income	101,790	96,673	96,673
Net nonoperating income	101,035	100,673	100,673
Net income for the year	936,538	599,639	495,178
Analysis of retained earnings:			
Retained earnings, beginning of year	8,162,545	9,099,083	9,339,593
Payment of profits to Treasury (−)		−359,129	−799,134
Retained earnings, end of year	9,099,083	9,339,593	9,035,637

Financial Condition

Assets:			
Cash with Treasury and in banks	$5,621,564	$5,190,860	$4,926,818
Accounts receivable	406,208	440,000	445,000
Commodities for sale	3,488,969	3,866,538	3,866,538
Prepaid expenses and other assets	38,495	39,000	39,000
Equipment, net	2,301,572	2,405,128	2,390,213
Total assets	11,856,808	11,941,526	11,667,569
Liabilities:			
Current	2,014,951	2,244,545	2,274,544
Government investment:			
Non-interest-bearing capital:			
Start of year	1,356,017	742,774	357,388
Donations, net, during year	545		
Repayment of investment (−)	−613,788	−385,386	
End of year	742,774	357,388	357,388
Retained earnings	9,099,083	9,339,593	9,035,637
Total Government investment	9,841,857	9,696,981	9,393,025

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury and in banks	$5,501,121	$5,621,564	$5,190,860	$4,926,818
Obligated balance, net:				
Current liabilities	2,108,816	2,014,951	2,244,545	2,274,544
Unpaid undelivered orders	707,721	908,153	933,153	958,153
Accounts receivable (−)	−352,158	−406,208	−440,000	−445,000
Total obligated balance	2,464,379	2,516,896	2,737,698	2,787,697
Unobligated balance	3,036,742	3,104,668	2,453,162	2,139,121

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2,327	2,341	2,342
Full-time equivalent of all other positions	202	202	202
Average number of all employees	2,517	2,536	2,538
Number of employees at end of year	2,626	2,639	2,640
Average GS grade and salary	7.5 $5,073	7.6 $5,103	7.6 $5,180
Average salary of ungraded positions	$2,622	$2,664	$2,690
01 Personal services:			
Permanent positions	$6,579,147	$6,727,732	$6,807,253
Positions other than permanent	460,527	460,000	460,000
Other personal services	237,153	209,974	204,779
Total personal services	7,276,827	7,397,706	7,472,032
02 Travel	98,774	101,000	101,000
05 Rents and utility services	175,160	179,237	179,237
06 Printing and reproduction	2,332	70,000	70,000
07 Other contractual services	205,849	209,844	209,073
08 Supplies and materials	22,783,843	23,347,276	22,969,202
09 Equipment	478,199	665,485	563,029
11 Grants, subsidies, and contributions		169,439	183,559
15 Taxes and assessments	90,823	92,288	93,059
Total accrued expenditures	31,111,807	32,232,275	31,840,191
Increase or decrease in undelivered orders	200,432	25,000	25,000
Total obligations	31,312,239	32,257,275	31,865,191

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Direct Loans to Veterans and Reserves

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay (obligations):			
Direct loans to veterans	$135,481,602	$206,736,986	
Vendee loans made	1,339	2,000	$2,000
Real property acquired	30,922	35,000	35,000
Total capital outlay	135,513,863	206,773,986	37,000
Operations (obligations):			
Interest on borrowings	11,512,578	15,000,000	18,000,000
Operating expenses, general	491,404	650,000	750,000
Property management and selling expenses	59,278	70,000	90,000
Total operations	12,063,260	15,720,000	18,840,000
Total program (obligations)	147,577,123	222,493,986	18,877,000
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	149,343,482		
Revenue and receipts:			
Collection of loans to veterans	28,012,398	32,505,000	39,335,000
Collection of vendee loans	63,487	100,000	150,000
Interest on loans	19,814,205	26,986,000	32,075,000
Sale of loans	732,816	100,000	100,000
Sale of properties	104,754	152,000	152,000
Miscellaneous income	12,534	14,000	16,000
Total amounts becoming available	198,083,676	59,857,000	71,828,000
Unobligated balance brought forward	152,971,704	203,478,257	40,841,271
Total amounts available	351,055,380	263,335,257	112,669,271
Repayment of borrowings to Treasury (−)			−40,100,000
Unobligated balance carried forward	−203,478,257	−40,841,271	−53,692,271
Financing applied to program	147,577,123	222,493,986	18,877,000

Loans are made to veterans for the purchase, construction, or improvement of homes, including farm residences, only where guaranteed private mortgages cannot be secured. The proceeds of loan repayments and loan sales are available to June 30, 1958, for making additional loans. Appraisal and foreclosure expenses are met from interest income, and administrative expenses are borne by the appropriation for general operating expenses, Veterans Administration. Authority to make loans expires June 30, 1958. However, disbursements against loan commitments made prior to that date will continue to the close of 1959, at which time outstanding loans to veterans are estimated to be $688.1 million, an increase of $168 million over 1957.

Borrowing authority in the amount of $733.5 million has been exercised through June 30, 1957. No additional borrowing authority is authorized for 1958 or 1959. In 1958 principal repayments and funds derived from sale of loans are available for lending. It is estimated that a favorable cash position will permit the return of $40.1 million to the Treasury during 1959.

As reflected in "Sources and application of funds," the purchase and resale of properties resulting from foreclosures on defaulted loans involve primarily an exchange of noncash assets (i. e., loans receivable versus real property) although cash expenditures and receipts also result.

The net budgetary expenditures were $76.8 million in 1957. It is estimated they will total $144.6 million in 1958, whereas in 1959, following the expiration of lending authority, it is expected that receipts will exceed expenditures by $4.9 million. Interest earnings of $32 million are anticipated in 1959, which is $12.3 million over 1957. Expenses are expected to increase only $6.8 million resulting in an improved net income for 1959 of $5.5 million, and increasing retained earnings to $54 million at the end of the year. The net principal of the fund as of June 30, 1959, is estimated at $690.4 million, a decrease of $40.1 million from June 30, 1957, reflecting the return of that

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

DIRECT LOANS TO VETERANS AND RESERVES—Continued

amount to Treasury during 1959. Significant workload and financial data relating to the fund are summarized as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Number of loan commitments (obligated)	17,813	27,060	----------
Amount of loan commitments (obligated)	$135,481,602	$206,736,986	----------
Number of loans closed and fully disbursed	15,380	25,000	6,606
Average per loan closed and fully disbursed	$7,606	$7,649	$7,640
Total loans closed and fully disbursed	$116,974,912	$191,000,000	$50,468,928
Repayment of loans	$28,616,167	$33,170,000	$40,000,000
Sale of loans	$732,816	$100,000	$100,000
Writeoffs of loans	$20,862	$34,000	$40,000
Net amount loaned	$87,605,067	$157,696,000	$10,328,928
Loans outstanding end of year:			
Number	80,434	101,610	102,704
Amount	$520,093,149	$677,789,149	$688,118,077

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans to veterans	$116,974,912	$191,000,000	$50,468,928
Vendee loans:			
Cash expenditures	1,339	2,000	2,000
Exchange of noncash assets	519,271	548,000	598,000
Real property:			
Cash expenditures	30,922	35,000	35,000
Exchange of noncash assets	608,359	665,000	665,000
Expenses	12,063,260	15,720,090	18,840,000
Total gross expenditures	130,198,063	207,970,000	70,608,928
Receipts from operations (funds provided):			
Realization of assets:			
Repayment of loans to veterans:			
Cash receipts	28,012,398	32,505,000	39,335,000
Exchange of noncash assets	603,769	665,000	665,000
Repayment of vendee loans:			
Cash receipts	63,487	100,000	150,000
Exchange of noncash assets	4,590	----------	----------
Sale of loans (cash receipts)	732,816	100,000	100,000
Sale of real property:			
Cash receipts	104,754	152,000	152,000
Exchange of noncash assets	519,271	548,000	598,000
Revenue	19,826,739	27,000,000	32,091,000
Decrease in selected working capital	3,570,204	2,349,576	2,400,000
Total receipts from operations	53,438,028	63,419,576	75,491,000
Budget expenditures	76,760,035	144,550,424	−4,882,072

Revenue, Expense, and Retained Earnings

Lending program:			
Revenue	$19,826,739	$27,000,000	$32,091,000
Expense	12,084,122	15,754,000	18,880,000
Net operating income, lending program	7,742,617	11,246,000	13,211,000
Nonoperating income:			
Proceeds from sales of properties	624,025	700,000	750,000
Net book value of properties sold (−)	−615,090	−685,000	−725,000
Net gain from sale of properties	8,935	15,000	25,000
Net income for the year	7,751,552	11,261,000	13,236,000
Retained earnings, beginning of year	21,718,924	29,470,476	40,731,476
Retained earnings, end of year	29,470,476	40,731,476	53,967,476

Financial Condition

Assets:			
Cash with Treasury	$252,860,623	$108,310,199	$73,092,271
Accounts receivable, net	540,795	700,000	800,000
Loans receivable, net:			
Direct loans to veterans	520,093,149	677,789,149	688,118,077
Vendee loans	1,234,933	1,684,933	2,134,933
Real property owned	438,991	453,991	428,991
Total assets	775,168,491	788,938,272	764,574,272
Liabilities:			
Current	15,191,219	17,700,000	20,200,000

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Government investment:			
Interest-bearing capital:			
Start of year, net	$581,163,314	$730,506,796	$730,506,796
Borrowings from Treasury during year, net	149,343,482	----------	−40,100,000
End of year	730,506,796	730,506,796	690,406,796
Retained earnings	29,470,476	40,731,476	53,967,476
Total Government investment	759,977,272	771,238,272	744,374,272

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$189,277,176	$252,860,623	$108,310,199	$73,092,271
Obligated balance, net:				
Current liabilities	11,524,130	15,191,219	17,700,000	20,200,000
Undisbursed loan obligations	16,225,252	34,731,942	50,468,928	----------
Accounts receivable, net (−)	−443,910	−540,795	−700,000	−800,000
Total obligated balance	27,305,472	49,382,366	67,468,928	19,400,000
Unobligated balance	152,971,704	203,478,257	40,841,271	53,692,271

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$550,682	$720,000	$840,000
14	Interest	11,512,578	15,000,000	18,000,000
16	Investments and loans	135,513,863	206,773,986	37,000
	Total obligations	147,577,123	222,493,986	18,877,000

RENTAL, MAINTENANCE, AND REPAIR OF QUARTERS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Maintenance and repair of quarters (total costs)	$77,075	$81,998	$80,000
Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	----------	−2,333	----------
Obligations incurred for costs of other years (unpaid undelivered orders), net	2,333	----------	----------
Total program (obligations)	79,408	79,665	80,000
Financing:			
Amounts becoming available: Rental	77,315	80,000	80,000
Unobligated balance brought forward	4,268	2,165	2,400
Total amounts available	81,583	82,165	82,400
Capital transfer (payment of profits to Treasury) (−)	−10	−100	−100
Unobligated balance carried forward	−2,165	−2,400	−2,300
Financing applied to program	79,408	79,665	80,000

Rentals received for 132 housekeeping units leased to Federal employees at Perry Point, Md., are used to defray operating expenses including repair and maintenance (38 U. S. C. 455).

Relation of cost to obligations.—The year-end balance of unpaid undelivered orders for 1957 was $2,333.

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$77,075	$81,998	$80,000
Increase in selected working capital		1,962	300
Total gross expenditures	77,075	83,960	80,300
Receipts from operations (funds provided):			
Revenue	77,315	80,000	80,000
Decrease in selected working capital	2,421		
Total receipts from operations	79,736	80,000	80,000
Budget expenditures	−2,661	3,960	300

Revenue, Expense, and Retained Earnings

Revenue	$77,315	$80,000	$80,000
Expense	77,075	81,998	80,000
Net operating income or loss (−)	240	−1,998	
Analysis of retained earnings:			
Retained earnings, beginning of year	4,268	4,498	2,400
Payment of profits to Treasury (−)	−10	−100	−100
Retained earnings, end of year	4,498	2,400	2,300

Financial Condition

Assets:			
Cash with Treasury	$6,260	$2,200	$1,800
Accounts receivable, net	3,156	3,200	3,500
Total assets	9,416	5,400	5,300
Liabilities:			
Current	4,918	3,000	3,000
Government investment:			
Retained earnings	4,498	2,400	2,300

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$3,609	$6,260	$2,200	$1,800
Obligated balance, net:				
Current liabilities	2,453	4,918	3,000	3,000
Unpaid undelivered orders		2,333		
Accounts receivable, net (−)	−3,112	−3,156	−3,200	−3,500
Total obligated balance	−659	4,095	−200	−500
Unobligated balance	4,268	2,165	2,400	2,300

Object Classification

	1957 actual	1958 estimate	1959 estimate
05 Rents and utility services	$6,720	$6,800	$6,800
07 Other contractual services	44,539	45,000	45,000
08 Supplies and materials	25,816	30,198	28,200
Total program costs	77,075	81,998	80,000
Increase or decrease (−) in unpaid undelivered orders	2,333	−2,333	
Total obligations	79,408	79,665	80,000

Service-Disabled Veterans Insurance Fund

[Service-disabled veterans insurance fund: To increase the capital of the fund established in accordance with section 620 of the National Service Life Insurance Act of 1940, as amended (38 U. S. C. 821), $1,500,000.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$1,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Death claims paid	$1,966,586	$2,400,000	$3,130,000
Premiums waived	728,537	850,000	1,000,000
Cash surrenders paid	31,666	55,000	90,000
Increase in operating reserves:			
Cash value	2,009,152	2,798,848	3,000,000
Reserve for future installments on matured contracts	142,989	143,011	150,000
Policy claims currently outstanding	278,000	178,000	190,000
Adjustment of prior year expense	23		
Total operations (obligations)	5,156,953	6,424,859	7,560,000
Capital outlay (obligations): Policy loans and liens made	153,701	270,000	500,000
Total program (obligations)	5,310,654	6,694,859	8,060,000
Financing:			
Amounts becoming available:			
Appropriation	1,000,000	1,500,000	
Revenues and receipts:			
Premiums earned	2,198,984	2,732,327	3,395,000
Interest on investments	4,801	7,000	12,000
Liens and loans repaid	61,909	150,000	270,000
Total amounts becoming available	3,265,694	4,389,327	3,677,000
Unobligated balance brought forward	−2,879,367	−4,924,327	−7,229,859
Total amounts available	386,327	−535,000	−3,552,859
Unobligated balance carried forward	4,924,327	7,229,859	11,612,859
Financing applied to program	5,310,654	6,694,859	8,060,000

This fund receives premiums and pays claims on nonparticipating insurance policies issued to veterans with a service-connected disability which makes them ineligible for commercial insurance. As of June 30, 1957, there were 26,781 policies in force, representing $234.4 million of insurance. Administrative expenses of the program, which was initiated in 1951, are paid from the appropriation for "General operating expenses."

Liabilities for death claims and refunds have exceeded premium receipts each year due to the insurance of medically substandard lives. No appropriation is requested for 1959.

The accumulated operating deficit of this fund is steadily mounting from $7.7 million in 1957 to $11.6 million in 1959. Appropriations will be necessary in subsequent years to make up this deficit or to provide additional funds as they are needed to pay off this liability.

Source and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans and liens	$153,701	$270,000	$500,000
Expense	5,156,930	6,424,859	7,560,000
Adjustment of prior year expense	23		
Total gross expenditures	5,310,654	6,694,859	8,060,000
Receipts from operations (funds provided):			
Loans and liens repaid	61,909	150,000	270,000
Revenue	2,203,785	2,739,327	3,407,000
Decrease in selected working capital	2,527,606	3,197,553	3,420,000
Total receipts from operations	4,793,300	6,086,880	7,097,000
Budget expenditures	517,354	607,979	963,000

Revenue, Expense, and Retained Earnings

Revenue	$2,203,785	$2,739,327	$3,407,000
Expense	5,156,930	6,424,859	7,560,000
Net loss (−) for the year	−2,953,145	−3,685,532	−4,153,000
Analysis of deficit:			
Deficit (−), beginning of year	−4,807,903	−7,761,238	−11,446,770
Adjustment of prior year loss	−23		
Adjustment of policy loans	−167		
Deficit (−), end of year	−7,761,238	−11,446,770	−15,599,770

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

SERVICE-DISABLED VETERANS INSURANCE FUND—Continued

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$1,119,976	$2,011,997	$1,048,997
Accounts receivable, net	38,165	33,144	33,144
Policy loans	160,433	280,089	509,089
Policy liens	2,656	3,000	4,000
Total assets	1,321,230	2,328,230	1,595,230
Liabilities:			
Premiums paid in advance	272,327	345,000	425,000
Operating reserves:			
Cash value	4,101,152	6,900,000	9,900,000
Reserve for future installments on matured contracts	926,989	1,070,000	1,220,000
Policy claims currently outstanding	782,000	960,000	1,150,000
Total liabilities	6,082,468	9,275,000	12,695,000
Government investment:			
Start of year	2,000,000	3,000,000	4,500,000
Appropriation during year	1,000,000	1,500,000	
End of year	3,000,000	4,500,000	4,500,000
Deficit (−)	−7,761,238	−11,446,770	−15,599,770
Total Government investment	−4,761,238	−6,946,770	−11,099,770

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$637,339	$1,119,976	$2,011,997	$1,048,997
Obligated balance, net:				
Current liabilities	3,554,097	6,082,468	9,275,000	12,695,000
Accounts receivable, net (−)	−37,400	−38,165	−33,144	−33,144
Total obligated balance	3,516,697	6,044,303	9,241,856	12,661,856
Unobligated balance	−2,879,367	−4,924,327	−7,229,859	−11,612,859

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$5,156,953	$6,424,859	$7,560,000
16 Investments and loans (policy loans)	153,701	270,000	500,000
Total obligations	5,310,654	6,694,859	8,060,000

SOLDIERS' AND SAILORS' CIVIL RELIEF FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Claims paid (total costs—obligations)	$23,913	$20,000	$20,000
Financing:			
Amounts becoming available: Revenues and receipts (repayments):			
Claims receivable	8,972	15,000	10,000
Claims receivable written off	15,599		
Total amounts becoming available	24,571	15,000	10,000
Unobligated balance brought forward	445,868	446,526	441,526
Total amounts available	470,439	461,526	451,526
Unobligated balance carried forward	−446,526	−441,526	−431,526
Financing applied to program	23,913	20,000	20,000

This fund is used to guarantee premiums due on commercial life-insurance policies held by servicemen while they are in service and for 2 years after discharge. The Government guarantees the repayment of any indebtedness not liquidated by the insured himself. Any payment by the Government on cases approved subsequent to amendment of the act of October 6, 1942, becomes a debt owed the Government by the insured. Administrative expenses are borne by the appropriation for "General operating expenses."

WORKLOAD AND AVERAGE COST

	1957 actual	*1958 estimate*	*1959 estimate*
Number of settlements	82	80	80
Average cost per settlement	$291.62	$250.00	$250.00

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Claims paid	$23,913	$20,000	$20,000
Increase in selected working capital	39	125	
Total gross expenditures	23,952	20,125	20,000
Receipts from operations (funds provided):			
Repayments:			
Claims receivable	8,972	15,000	10,000
Claims receivable written off	15,599		
Total receipts from operations	24,571	15,000	10,000
Budget expenditures	−619	5,125	10,000

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$446,651	$441,526	$431,526
Claims receivable	42,321	47,321	57,321
Total assets	488,972	488,847	488,847
Liabilities:			
Current	125		
Government investment:			
Non-interest-bearing capital: Start of year (end of year)	703,000	703,000	703,000
Deficit (−)	−214,153	−214,153	−214,153
Total Government investment	488,847	488,847	488,847

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$446,032	$446,651	$441,526	$431,526
Obligated balance, net: Current liabilities	164	125		
Unobligated balance	445,868	446,526	441,526	431,526

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$23,913	$20,000	$20,000

VETERANS SPECIAL TERM INSURANCE FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Death claims paid	$5,569,707	$5,972,000	$6,468,000
Premiums waived	21,060	28,000	32,000
Increase or decrease (−) in operating reserves:			
Policy claims currently outstanding	1,140,500	265,080	82,005
Policy reserves	526,937	253,646	−77,500
Premium waiver and disability reserves	313,333	137,135	107,500
Reserves for future installments on matured contracts	651,743	1,231,393	1,359,695
Adjustment of prior year expense	5		
Total operations (obligations)	8,223,285	7,887,254	7,971,700
Capital outlay (obligations): Policy liens made	1,826	1,900	2,300
Total program (obligations)	8,225,111	7,889,154	7,974,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Revenues and receipts:			
Premiums earned	$17,319,927	$19,325,038	$18,923,000
Interest on investments	648,422	924,000	1,230,000
Other interest	302		
Liens repaid	1,918	1,829	1,800
Adjustment of prior-year revenue	−2		
Total amounts becoming available	17,970,567	20,250,867	20,154,800
Unobligated balance brought forward	12,465,563	22,211,019	34,572,732
Total amounts available	30,436,130	42,461,886	54,727,532
Unobligated balance carried forward	−22,211,019	−34,572,732	−46,753,532
Financing applied to program	8,225,111	7,889,154	7,974,000

Veterans who served subsequent to April 1951 had the opportunity to purchase special nonparticipating term insurance until January 1, 1957, provided application was made within 120 days after separation from service. The Servicemen's and Veterans' Survivor Benefits Act (70 Stat. 857) prohibited further issuance of this type of insurance on or after January 1, 1957. As of June 30, 1957, there were 727,000 policies in force providing over $6.6 billion protection. Administrative expenses of this program are borne by the appropriation for "General operating expenses."

Favorable mortality experience on insurance written against this fund indicates that earnings will reach $46.8 million at the close of 1959. This sum, which is invested in 2⅝% U. S. securities, is substantially in excess of amounts needed for contingency reserve.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of liens	$1,826	$1,900	$2,300
Expense	8,223,280	7,887,254	7,971,700
Adjustment of prior year income	7		
Total gross expenditures	8,225,113	7,889,154	7,974,000
Receipts from operations (funds provided):			
Liens repaid	1,918	1,829	1,800
Revenue	17,968,651	20,249,038	20,153,000
Decrease in selected working capital	4,410,640	2,029,282	1,259,200
Total receipts from operations	22,381,209	22,280,149	21,414,000
Budget expenditures	−14,156,096	−14,390,995	−13,440,000

Revenue, Expense, and Retained Earnings

Revenue	$17,968,651	$20,249,038	$20,153,000
Expense	8,223,280	7,887,254	7,971,700
Net operating income	9,745,371	12,361,784	12,181,300
Nonoperating loss (−): Writeoff of policy loans	−16		
Net income for the year	9,745,355	12,361,784	12,181,300
Analysis of retained earnings:			
Retained earnings, beginning of year	12,467,100	22,212,448	34,574,232
Adjustment of prior year income	−7		
Retained earnings, end of year	22,212,448	34,574,232	46,755,532

Financial Condition

Assets:			
Cash with Treasury	$986,604	$859,599	$899,599
U. S. securities (par)	34,082,000	48,600,000	62,000,000
Accounts receivable, net	15,566	18,500	28,000
Policy liens	1,429	1,500	2,000
Total assets	35,085,599	49,479,599	62,929,599
Liabilities:			
Premiums paid in advance	5,646,338	5,791,300	5,588,300
Operating reserves:			
Policy reserves	1,761,354	2,015,000	1,937,500
Premium waiver disability reserves	1,161,197	1,298,332	1,405,832
Reserve for future installments on matured contracts	2,418,762	3,650,155	5,009,850

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities—Continued			
Policy claims currently outstanding	$1,885,500	$2,150,580	$2,232,585
Total liabilities	12,873,151	14,905,367	16,174,067
Government investment:			
Retained earnings (reserve for contingencies)	22,212,448	34,574,232	46,755,532
Total liabilities and Government investment	35,085,599	49,479,599	62,929,599

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash and U. S. securities	$20,912,508	$35,068,604	$49,459,599	$62,899,599
Obligated balance, net:				
Current liabilities	8,483,943	12,873,151	14,905,367	16,174,067
Accounts receivable, net (−)	−36,998	−15,566	−18,500	−28,000
Total obligated balance	8,446,945	12,857,585	14,886,867	16,146,067
Unobligated balance	12,465,563	22,211,019	34,572,732	46,753,532

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$8,223,285	$7,887,254	$7,971,700
16 Investment in loans	1,826	1,900	2,300
Total obligations	8,225,111	7,889,154	7,974,000

Vocational Rehabilitation Revolving Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs (writeoff of loans)	$1,218		
Provision for losses on loans included above (−)	−1,218		
Capital outlay (loans to veterans)	332,507	$300,000	$300,000
Total program (costs—obligations)	332,507	300,000	300,000
Financing:			
Amounts becoming available (loans repaid)	342,498	300,620	300,000
Unobligated balance brought forward	607,157	317,148	317,768
Total amount available	949,655	617,768	617,768
Repayment of investment to Treasury (−)	−300,000		
Unobligated balance carried forward	−317,148	−317,768	−317,768
Financing applied to program	332,507	300,000	300,000

This fund is used to make loans up to $100 to disabled veterans eligible for vocational rehabilitation who are without sufficient funds to meet their expenses (57 Stat. 43; 38 U. S. C., ch. 12 note). Repayments are used to make new loans.

Administrative expenses for operating the fund are borne by the appropriation "General operating expenses."

WORKLOAD, AMOUNTS LOANED AND REPAID

	1957 actual	*1958 estimate*	*1959 estimate*
Number of loans made	3,325	3,000	3,000
Average per loan	$100	$100	$100
Number of loans outstanding	1,740	1,740	1,740
Average amount per loan outstanding	$50	$50	$50
Total loans made	$332,507	$300,000	$300,000
Repayment of loans	$342,498	$300,620	$300,000

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

VOCATIONAL REHABILITTAION REVOLVING FUND—Continued

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$332,507	$300,000	$300,000
Increase in selected working capital	1,494		
Total gross expenditures	334,001	300,000	300,000
Receipts from operations (funds provided):			
Loans repaid	342,498	300,620	300,000
Budget expenditures	−8,497	−620	

Financial Condition

Assets:			
Cash with Treasury	$317,148	$317,768	$317,768
Loans receivable, net	87,620	87,000	87,000
Total assets	404,768	404,768	404,768
Government investment:			
Non-interest-bearing capital:			
Start of year	700,000	400,000	400,000
Return to Treasury during year	300,000		
End of year	400,000	400,000	400,000
Retained earnings	4,768	4,768	4,768
Total Government investment	404,768	404,768	404,768

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$608,651	$317,148	$317,768	$317,768
Obligated balance net: Current liabilities	1,494			
Unobligated balance	607,157	317,148	317,768	317,768

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$332,507	$300,000	$300,000

Intragovernmental funds:

SUPPLY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Procurement and services program:			
Cost of goods sold	$131,722,532	$131,416,981	$130,670,760
Other	1,971,309	2,073,700	2,079,240
2. Publications and reproduction program:			
Cost of goods sold		1,844,000	1,836,740
Other		1,705,700	1,681,760
Total operating costs	133,693,841	137,040,381	136,268,500
Depreciation included above (−)	−6,541	−36,600	−40,500
Other cost included above not requiring funding (−)	−1,887		
Total operating costs, funded	133,685,413	137,003,781	136,228,000
Capital outlay:			
1. Procurement and services program:			
Acquisition of equipment	5,760	3,526	17,640
Property transferred in (−) without charge, net			−15,000
Total, procurement and services program	5,760	3,526	2,640
Capital outlay—Continued			
2. Publications and reproduction program:			
Acquisition of equipment		$247,112	$23,760
Property transferred in (−) without charge, net		−208,908	
Total, publication and reproduction programs		38,204	23,760
Total capital outlay, funded	$5,760	41,730	26,400
Total[a] program costs, funded	133,691,173	137,045,511	136,254,400
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,523,322	−650,621
Obligations incurred for costs of other years, net	1,827,779		
Total program (obligations)	135,518,952	134,522,189	135,603,779
Financing:			
Amounts becoming available:			
Revenue: Sale of commodities and services	133,690,932	137,043,290	136,268,500
Unobligated balance brought forward	2,705,421	−3,357,664	−1,836,563
Total amounts available	136,396,353	133,685,626	134,431,937
Capital transfer:			
Repayment of investment to Treasury (−)	−4,000,000	−1,000,000	
Payment of earnings to Treasury (−)	−235,065		
Unobligated balance carried forward	3,357,664	1,836,563	1,171,842
Financing applied to program	135,518,952	134,522,189	135,603,779

The fund finances, on a reimbursable basis, procurement of supplies and equipment, operation of the service and reclamation shops, the book and periodical activity, and the motion picture inspection, repair, and shipping activity, and effective in 1958 the publications and reproduction program including the purchase of forms from General Services Administration, Government Printing Office, and contract printers.

The fund operated at a slight loss in 1957 on a sales volume of $133.7 million. A return of the Government's investment to Treasury of $4 million was made in 1957 and an additional return of $1 million is programed for 1958. This will bring the total of capital returns to Treasury to $16 million since the fund began operations in 1954.

The fund is expected to break even in 1959 on a total sales volume of $136.3 million. The 1958 estimate provides for a small gain to offset the 1957 deficit.

A net increase of approximately $300,000 in capital is reflected in 1958. This is comprised of an increase of $1,300,000 due to capitalization of inventories of forms ($1,126,824) and operating equipment ($208,908) of the publications and reproduction program, less return of $1,000,000 to Treasury.

No additional appropriation by the Congress will be required for the operation of the supply fund during 1958 and 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders	$11,877,899	$12,129,344	$11,252,000	$11,202,000
Advances	550,086	515,692	10,000	10,000
Inventories	27,417,355	29,028,083	29,014,621	28,414,000
Total selected resources at end of year	39,845,340	41,673,119	40,276,621	39,626,000
Selected resources at start of year (−)	−39,845,340	−41,673,119	−40,276,621	
Inventories transferred in (−) without charge			−1,126,824	
Costs financed from obligations of other years, net (−)			−2,523,322	−650,621
Obligations incurred for costs of other years, net		1,827,779		

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Procurement and services program:			
Acquisition of equipment	$5,760	$3,526	$2,640
Expense:			
Purchases of supplies and equipment	133,333,259	130,316,019	130,137,639
Other expense	1,962,881	2,067,100	2,070,740
Publications and reproduction program:			
Acquisition of equipment		38,204	23,760
Expense:			
Purchases of supplies and equipment		1,804,676	1,769,240
Other expense		1,675,700	1,649,760
Increase in selected working capital		443,473	
Total gross expenditures	135,301,900	136,348,698	135,653,779
Receipts from operations (funds provided):			
Procurement and services program:			
Revenue	133,690,932	133,493,590	132,750,000
Publications and reproduction program:			
Revenue		3,549,700	3,518,500
Decrease in selected working capital	206,720		
Total receipts from operations	133,897,652	137,043,290	136,268,500
Budget expenditures	1,404,248	−694,592	−614,721

Revenue, Expense, and Retained Earnings

Procurement and services program:			
Revenue	$133,690,932	$133,493,590	$132,750,000
Expense	133,691,954	133,490,681	132,750,000
Net operating income or loss (−), procurement and services program	−1,022	2,909	
Publications and reproduction program:			
Revenue		3,549,700	3,518,500
Expense		3,549,700	3,518,500
Net operating income or loss (−), publications and reproduction program			
Nonoperating loss (−): (Net loss (−) from sale of equipment	−1,887		
Net income or loss (−) for the year	−2,909	2,909	
Analysis of retained earnings:			
Retained earnings, beginning of year	235,065	−2,909	
Payment of earnings to Treasury (−)	−235,065		
Retained earnings, end of year	−2,909		

Financial Condition

Assets:			
Cash with Treasury	$8,645,845	$8,340,437	$8,955,158
Accounts receivable, net	8,180,022	8,125,000	8,125,000
Advances	515,692	10,000	10,000
Commodities for sale	29,028,083	29,014,621	28,414,000
Operating equipment, net	49,057	263,095	263,995
Total assets	46,418,699	45,753,153	45,768,153
Liabilities:			
Current	8,054,187	7,050,000	7,050,000
Government investment:			
Non-interest-bearing capital:			
Start of year	42,367,421	38,367,421	38,703,153
Donated assets		1,335,732	15,000
Repayment of investment to Treasury (−)	−4,000,000	−1,000,000	
End of year	38,367,421	38,703,153	38,718,153
Deficit (−)	−2,909		
Total Government investment	38,364,512	38,703,153	38,718,153

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$14,285,158	$8,645,845	$8,340,437	$8,955,158
Obligated balance, net:				
Current liabilities	8,436,140	8,054,187	7,050,000	7,050,000
Unpaid undelivered orders	11,877,899	12,129,344	11,252,000	11,202,000
Accounts receivable, net and cash in transit (−)	−8 734 302	−8,180,022	−8,125 000	−8,125,000
Total obligated balance	11 579,737	12,003,509	10,177,000	10,127,000
Unobligated balance	2,705,421	−3,357,664	−1,836,563	−1,171,842

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	70	322	317
Average number of all employees	67	315	310
Number of employees at end of year	66	305	310
Average GS grade and salary	5.1 $4,300	5.2 $4,306	5.2 $4,377
01 Personal services:			
Permanent positions	$331,416	$1,452,341	$1,439,931
Other personal services		5,610	5,548
Total personal services	331,416	1,457,951	1,445,479
02 Travel	12,171	15,331	15,250
03 Transportation of things	1,333,324	1,576,200	1,575,000
04 Communication services	290	12,876	12,616
05 Rents and utility services	6,248	13,787	14,075
06 Printing and reproduction		1,875,888	1,870,672
07 Other contractual services	36,227	55,242	53,890
08 Supplies and materials	120,419,592	120,274,294	120,145,563
09 Equipment	13,162,632	10,528,151	10,426,400
11 Grants, subsidies, and contributions		94,665	93,994
13 Refunds, awards, and indemnities		840	840
Total accrued expenditures	135,301,900	135,905,225	135,653,779
Relation of accrued expenditures to obligations: Increase or decrease (−) in undelivered orders and advances	217,052	−1,383,036	−50,000
Total obligations	135,518,952	134,522,189	135,603,779

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General operating expenses	$196,827	$170,363	$165,831
2. Medical administration and miscellaneous operating expenses	1,645		
3. Outpatient care	219,470	115,000	150,000
4. Maintenance and operation of supply depots	130,802	120,000	180,000
5. Hospital and domiciliary facilities	1,537		
6. Major alterations, improvements, and repairs	2,006		
Total obligations	552,287	405,363	495,831
Financing:			
Advances and reimbursements from—			
Other accounts	97,705	100,000	100,000
Non-Federal sources (40 U. S. C. 481 (c))	454,582	305,363	395,831
Total financing	552,287	405,363	495,831

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	56	37	48
Average number of all employees	56	37	48
Number of employees at end of year	56	37	48
Average GS grade and salary	7.5 $5,261	7.5 $5,275	7.3 $5,164
Average salary of ungraded positions	$4,718	$4,440	$4,743
01 Personal services:			
Permanent positions	$283,791	$181,004	$235,693
Other personal services	1,091	696	907
Total personal services	284,882	181,700	236,600
03 Transportation of things			1,000
04 Communication services	18,349	18,331	18,331
05 Rents and utility services	16,169	16,100	16,100
06 Printing and reproduction	11,055		
07 Other contractual services	6,641	8,532	14,300
08 Supplies and materials	211,648	169,400	194,100
10 Lands and structures	3,543		
11 Grants, subsidies, and contributions		11,300	15,400
Total obligations	552,287	405,363	495,831

Proposed for later transmission:

Inpatient Care

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Maintenance and operation of hospitals:			
(a) Neuropsychiatric hospitals		$1,312,000	
(b) Tuberculosis hospitals		364,000	
(c) General medical hospitals		2,319,000	

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VETERANS ADMINISTRATION—Continued

Proposed for later transmission—Continued

INPATIENT CARE—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Maintenance and operation of Veterans Administration domiciliary homes		$205,000	
Total program (costs—obligations)		4,200,000	
Financing:			
Proposed supplemental appropriation		4,200,000	

Under existing legislation, 1958.—A supplemental appropriation of $4,200,000 is anticipated to cover the cost of salary increases approved for wage-board employees, subsequent to submission of the 1958 budget.

MAINTENANCE AND OPERATION OF SUPPLY DEPOTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Storage operations		$26,800	
2. Utility operations		11,000	
Total program (costs—obligations)		37,800	
Financing:			
Proposed supplemental appropriation		37,800	

Under existing legislation, 1958.—A supplemental appropriation of $37,800 is anticipated to cover the cost of salary increases approved for wage-board employees subsequent to the submission of previous estimates.

COMPENSATION AND PENSIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Compensation, living veterans, World War II (total costs—obligations)		$256,000,000	
Financing:			
Proposed supplemental appropriation		256,000,000	

Under existing legislation, 1958.—A supplemental appropriation of $256 million is anticipated to cover uncontrollable statutory benefit costs of the compensation and pensions program, including $127 million attributable to recent legislation increasing veterans compensation rates (71 Stat. 424).

READJUSTMENT BENEFITS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Education and training, Korean conflict veterans (total costs—obligations)		$30,000,000	
Financing:			
Proposed supplemental appropriation		30,000,000	

Under existing legislation, 1958.—A supplemental appropriation of $30 million is anticipated to cover uncontrollable education and training benefit costs expected to exceed previous estimates.

SERVICEMEN'S INDEMNITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Servicemen's indemnities (total costs—obligations)		$2,250,000	
Financing:			
Proposed supplemental appropriation		2,250,000	

Under existing legislation, 1958.—Since payments under this program are being made at a rate which exceeds the total appropriation, a supplemental of $2,250,000 is proposed for later transmission.

INDEPENDENT OFFICES—GENERAL PROVISIONS

SEC. 102. Where appropriations in this title are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System.

SEC. 103. Where appropriations in this title are expendable for the purchase of newspapers and periodicals and no specific limitation has been placed thereon, the expenditures therefor under each such appropriation may not exceed the amount of $50: *Provided*, That this limitation shall not apply to the purchase of scientific, technical, trade, or traffic periodicals necessary in connection with the performance of the authorized functions of the agencies for which funds are herein provided, nor to the purchase of newspapers and periodicals necessary for the care and welfare of patients and members in Veterans Administration hospitals and domiciliary facilities.

SEC. 104. No part of any appropriation contained in this title shall be available to pay the salary of any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Civil Service Commission as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 105. Appropriations contained in this title, available for expenses of travel shall be available, when specifically authorized by the head of the activity or establishment concerned, for expenses of attendance at meetings of organizations concerned with the function or activity for which the appropriation concerned is made.

SEC. 106. No part of any appropriations made available by the provisions of this title shall be used for the purchase or sale of real estate or for the purpose of establishing new offices outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 107. No part of any appropriation contained in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; wage administration; and processing, recording, and reporting.

SEC. 108. None of the sections under the head "Independent Offices, General Provisions" in this title shall apply to the Housing and Home Finance Agency.

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CORPORATIONS—GENERAL PROVISIONS

SEC. 202. No part of the funds of, or available for expenditure by, any corporation or agency included in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided,* That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting.

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress. (*Independent Offices Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

INDEPENDENT OFFICES

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AIRWAYS MODERNIZATION BOARD								
Expenses							$7,500	For transportation of the Chairman of the Board, technical director, and other employees to and from meetings in the Washington, D. C., area, and for use at the Board's test center.
AMERICAN BATTLE MONUMENTS COMMISSION								
Salaries and expenses	1	$1,350	2	$250	$1,100	10		For use in field only by members and secretary on inspection trips and by officers and employees in supervision, maintenance, and construction of U. S. military cemeteries and memorials in foreign countries.
ATOMIC ENERGY COMMISSION								
Operating expenses							325,627	To provide necessary transportation of AEC and contractor personnel on official business by authorized operators within and between projects and areas.
Automobile	1	3,700	1	200	3,500	7		To provide transportation to and from official meetings. Also used for delivery of classified mail in Washington area.
Do	383	651,700	390	78,000	573,700	1,139		To provide necessary transportation of AEC and contractor personnel on official business by authorized operators within and between project sites and areas.
Station wagon	20	42,675	13	2,600	40,075	108		Do.
Ambulance	8	45,350	8	2,400	42,950	52		Do.
Bus	23	388,250	23	11,500	376,750	407		Do.
Total, Atomic Energy Commission.	435	1,131,675	435	94,700	1,036,975	1,713	325,627	
CIVIL SERVICE COMMISSION								
Salaries and expenses						1	5,500	Commissioners, executive director, and other staff officers: Transportation to and from official meetings in Washington, D. C. Board advisers, inspectors, and other regional office staff officials: Performance of official duties in the field.
Investigations (revolving fund)							5,000	Investigators: Performance of official duties in the field.
Total, Civil Service Commission.						1	10,500	
EXPORT-IMPORT BANK OF WASHINGTON								
Salaries and expenses						1	660	All staff members: Transportation to and from official meetings and conferences in the Washington area with Members of Congress, U. S. Government officials, personnel of foreign embassies, and officials of international organizations. Messengers: Delivery of special dispatches; movement of light equipment, supplies, and packaged documents. All within the Washington area.
FARM CREDIT ADMINISTRATION								
Administrative expenses							600	Governor and deputy governors: For transportation to and from official meetings and conferences in Washington, D. C., with other Government officials, and with congressional bodies.
Administrative expenses, Federal intermediate credit banks.	1	1,350	1	150	1,200	24		Officers and employees of the banks: For necessary travel in connection with the making of new loans and discounts, and the servicing of outstanding loans and discounts, principally for travel between points which cannot be reached advantageously or economically by common carrier.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

INDEPENDENT OFFICES—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FEDERAL CIVIL DEFENSE ADMINISTRATION								
Operations						1	$33,000	In the transaction of official business of the FCDA, motor vehicles are assigned as follows: 1, administrator (Washington); 1, deputy administrator (Washington); 1, executive assistant administrator and emergency trips, national headquarters; 3, general needs at national headquarters; 2, classified location; 2, Olney facility for mail runs, transportation to conferences and other official business in the Washington, D. C., area, and general use of the facility; 1, capital area branch office for transportation necessary for coordination of official business with other Government agencies in Washington, D. C., and vicinity. A total of 17 vehicles will be assigned to the 7 regional offices for use of regional administrators and staff.
FEDERAL COMMUNICATIONS COMMISSION								
Salaries and expenses	3	$4,200	3	$600	$3,600	53	50,285	Vehicles are used primarily for transportation of electronic equipment and personnel for inspection, investigation, and engineering measurement activities. Most vehicles have been extensively modified with electronic equipment.
Station wagon						13	715	Do.
Total, Federal Communications Commission.	3	4,200	3	600	3,600	66	51,000	
FEDERAL HOME LOAN BANK BOARD								
Federal Home Loan Bank Board revolving fund.							700	Members of Board and its staff officers: To and from official meetings in Washington, D. C. Messengers: Delivery of mail and other official documents, Washington area.
FEDERAL MEDIATION AND CONCILIATION SERVICE								
Salaries and expenses						1		Director and his staff: Transportation to and from meetings and conferences in the District of Columbia as the official representative of the Service, with Members of Congress, Government officials, and representatives of labor and management.
FEDERAL POWER COMMISSION								
Salaries and expenses							8,000	For use by engineers and other members of the Commission's staff in regional offices for inspection of electric utility and gas plants, and hydroelectric projects during construction; and miscellaneous field investigations; and for general administrative use in Washington.
FEDERAL TRADE COMMISSION								
Salaries and expenses							600	Chairman, Commissioners, and executives: Transportation by GSA motor pool car to and from official meetings and conferences in Washington, D. C., with Members of Congress and Government officials.
							4,000	Use of GSA motor pool facilities throughout United States by attorney investigators in conducting official investigations.
Total, Federal Trade Commission.							4,600	
GENERAL ACCOUNTING OFFICE								
Salaries and expenses							1,476	Used in transporting officials and employees to and from the the Capitol and Government departments and offices in the transaction of official business.
INTERSTATE COMMERCE COMMISSION								
Salaries and expenses	54	81,000	14	420	80,580	172		All vehicles (226) to be used by employees in the field in connection with the duties of the Commission.
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS								
Salaries and expenses	10	15,000	10	3,500	11,500	8		Vehicles used in transaction of official business by officials and designated employees.
Station wagon	7	13,650	4	1,200	12,450	11	900	For transportation of personnel, supplies, and light equipment at laboratories and auxiliary research stations.
Bus						2	34,000	For shuttle service for laboratory employees between widely dispersed research facilities (other than to Government motor pools).
Ambulance						1		For use where medical facilities are inadequate.
Total, National Advisory Committee for Aeronautics.	17	28,650	14	4,700	23,950	22	34,900	
NATIONAL CAPITAL HOUSING AUTHORITY								
Operation and maintenance, properties aided by Public Housing Administration.						1		Automobile use by National Capital Housing Authority officials in trips to properties, building sites, and other agencies, and by interviewers checking residences of housing applicants for substandard conditions.
Station wagon	1	1,550	1	350	1,200	1		Used by engineers to inspect operating housing properties scattered throughout the city and planners and engineers in checking and inspecting properties under development.
Total, National Capital Housing Authority.	1	1,550	1	350	1,200	2		

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

INDEPENDENT OFFICES—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
NATIONAL CAPITAL PLANNING COMMISSION								
Salaries and expenses							$850	Used by members and staff of Commission for inspection trips in connection with acquisition of land and planning matters.
Land acquisition, National Capital park, parkway, and playground system.							250	Do.
Total, National Capital Planning Commission.							1,100	
NATIONAL LABOR RELATIONS BOARD								
Salaries and expenses							1,400	For the transaction of official Government business by the 5 Board members, the general counsel, and other employees of the Board in Washington, D. C., and (cost of hire) by the employees of several regional offices.
NATIONAL SCIENCE FOUNDATION								
Salaries and expenses						1	200	Director, deputy director, associate directors: Transportation to and from official meetings and conferences in Washington, D. C. Messengers: Delivery of special mail in the Washington area.
RAILROAD RETIREMENT BOARD								
Salaries and expenses and railroad unemployment insurance administration fund.						1		In the transaction of official business for the Railroad Retirement Board, to be used by the Board members and other designated officials in the official performance of their duties and also to transport official papers between the headquarters office, the Treasury Department, and the Federal reserve bank.
Station wagon							660	Do.
RENEGOTIATION BOARD								
Salaries and expenses							1,000	The hire of automobiles is required to meet the needs of the Board members and other staff members in the transaction of official business.
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION								
Saint Lawrence Seaway Development Corporation fund.						4		Administrator, deputy administrator, administrative staff, construction and operations supervisors: General use for transportation purposes in the executive direction, management, and supervision of the construction, operation, and maintenance of the seaway.
SECURITIES AND EXCHANGE COMMISSION								
Salaries and expenses: Station wagon						1	[1] 800	5 Commissioners and staff members. Transportation to and from official meetings and conferences in Washington, D. C., with Members of Congress and other U. S. Government officials. Messengers: Delivery of special mail in the Washington area.
SELECTIVE SERVICE SYSTEM								
Salaries and expenses						77	19,600	To be used by officials at State headquarters for the purpose of visiting local boards within the various States and other official travel as required.
Station wagon						55		Same as above and to deliver supplies and equipment if necessary.
Total, Selective Service System.						132	19,600	
SMITHSONIAN INSTITUTION								
Salaries and expenses, National Gallery of Art.						1		Official use of officers of the National Gallery of Art.
TENNESSEE VALLEY AUTHORITY								
Tennessee Valley Authority fund	200	$300,000	200	$70,000	$230,000	600	10,000	The TVA program is conducted in an area of more than 80,000 square miles, with many installations at isolated points. Travel by automobile is frequently more economical than common carrier and sometimes the only available method of transportation. TVA's 800 units are pooled in 1 fleet and are issued to employees as requested. About 419 units will be used in power operations, maintenance, and transmission construction activities; 113 in dam and steam plant construction at isolated sites not served by common carrier; 98 units in reservoir operations; and 170 in forestry, fertilizer, agricultural, administrative, and miscellaneous activities. Motor vehicles will be hired on special occasions to meet peak demands and at remote locations where the Authority does not maintain a pool of motor vehicles and personal cars are not available.

[1] Includes $200 for hire of motor vehicles from commercial sources.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

INDEPENDENT OFFICES—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
UNITED STATES INFORMATION AGENCY								
Salaries and expenses:								
Limousine							$938	Director: Transportation to and from official meetings and conferences.
Sedan	7	$10,500	3	$1,800	$8,700	130	500	Deputy director: same as above and (1) Foreign Service personnel: Transportation in foreign countries to and from meetings with U. S. Government and local officials; transportation of official visitors. (2) Radio relay base personnel: Transportation to and from out-of-town sites overseas on day and night shifts.
Station wagon	17	33,150	21	10,200	22,950	65	1,080	Same as (1) and (2) above and personnel in New York City: Transportation of engineers, producers, and film and radio equipment to special events in New York City.
Bus						10		Same as (2) above.
Total, United States Information Agency.	24	43,650	24	12,000	31,650	205	2,518	
VETERANS ADMINISTRATION								
General operating expenses	1	7,200	1	500	6,700		80	Administrator, deputy administrator, and top staff officials: Transportation to and from official meetings and conferences including operations alert.
Bus							78	Staff officials of VA: Transportation to and from official meetings, budget hearings, etc.
Station wagon							670	Messengers: Delivery of special or classified mail in the Washington area.
Inpatient care	67	100,500	67	9,380	91,120	357	95,040	The passenger-carrying vehicles are to be used in the efficient and economical operation of VA hospitals for the primary purpose of transporting sick and disabled veterans from point to point in the best interest of proper care and treatment of patients. The vehicles are to be operated by designated employees or officials of the various VA hospitals, regional offices, and supply depots (after the manager has satisfied himself as to their experience, safety records, and such knowledge of local and State laws and regulations as may be prescribed by applicable VA standards and procedures, etc.).
Station wagon	1	1,950	1	175	1,775	28	3,360	Do.
Ambulance	17	88,400	17	4,675	83,725	151	502,300	Do.
Bus	18	75,600	18	4,320	71,280	110	36,782	Do.
Outpatient care	2	3,000	2	280	2,720	7		Do.
Maintenance and operation of supply depots.	1	1,500	1	140	1,360	2		Do.
Total, Veterans Administration.	107	278,150	107	19,470	258,680	655	638,310	
Total, independent offices	843	1,871,575	801	202,640	1,668,935	3,613	1,154,151	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

INDEPENDENT OFFICES

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
ATOMIC ENERGY COMMISSION								
Operating expenses							$21,156	Transportation of official personnel, air patrol of prohibited areas, scientific explorations for raw materials.
Aircraft						5		Do.
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS								
Salaries and expenses						[1] 7	[2] 92,500	Aircraft to be used in the field by officials and designated employees primarily for research activities and for transporting personnel to remotely located auxiliary research stations.
TENNESSEE VALLEY AUTHORITY								
Tennessee Valley Authority fund	1	$5,000				7	103,000	5 helicopters will be used for transmission line patrol, malaria control spraying, reconnaissance, aerial inventories and air sampling in the vicinity of TVA steam plants for air pollution tests; 1 fixed-wing plane will be used for emergency malaria control spraying and transmission line trouble-shooting and reservoir aerial inspection; 1 airplane will be used for passenger service with some use for aerial mapping and reconnaissance; 1 plane will be used principally for the transportation of engineers to widely scattered projects and for transportation of administrative officers on official business.
Total, independent offices	1	5,000				19	216,656	

[1] Includes 3 aircraft on loan from the military services.

[2] Passenger trips only.

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GENERAL SERVICES ADMINISTRATION

Expenditures of the General Services Administration will decline in 1959 to an estimated $413 million, or $34 million below 1958 and $145 million below 1957. The downward trend reflects mainly decreases in acquisitions for the stockpiling of defense materials. However, the 1959 budget recommends an increase over 1957 and 1958 in new obligational authority, because, for the first time in 3 years, new funds are required to continue the stockpiling program—even at the reduced level.

Apart from the stockpiling program, new obligational authority requested for the remaining major programs of the General Services Administration is slightly below 1958. Small increases in a few activities are more than offset by decreases in others. Expenditures are estimated to increase in 1959, however, as obligations of prior years are liquidated.

General property and records management.—Management of real property activities accounts for well over half the 1959 estimates. The budget proposes to continue buildings management services at the same general level as in the current year; however, some costs of office space are being transferred from tenant agencies to the General Services Administration with corresponding reductions for those agencies. Repairs and improvements in buildings are likewise estimated to continue at the present rate, but unused balances of appropriations from prior years will permit new obligational authority to be reduced below the 1958 level.

The 1959 budget assumes that a considerable amount of construction of new buildings will be financed from private sources under lease-purchase contracts. Funds are requested for site acquisition and architectural design work to complete this phase of the program for the majority of the currently approved lease-purchase projects. Thirty-three lease-purchase buildings are expected to be completed by the end of 1959. Legislation to authorize further contracts has been recommended. The budget also recommends funds to construct a building for the United States Mission to the United Nations in New York City, and to plan a Federal office building to provide more adequate office space for Presidential staff.

The central supply system operated by the General Services Administration is continuing to grow as Government agencies increasingly use its services. The 1959 budget recommends $15 million of additional capital for the general supply fund, and estimates an increase in sales and expenditures for supply depot operations. Other personal property activities in 1959 are budgeted at about the 1958 level.

The budget recommends minor increases in appropriations for 1959 to take account of the added workload of the records centers and of the National Archives. A small increase is also requested to strengthen the Government's representation before regulatory bodies in transportation rate cases and to improve transportation services rendered to Government agencies.

Stockpiling.—Purchases of defense materials for the military stockpile are decreasing as more and more stockpile objectives are completed. Purchases for the stockpile from inventories accumulated under defense production expansion programs have been suspended pending a review of stockpile policies and inventory objectives. Most of the 1959 acquisitions for the stockpile will be from the inventory acquired by the Commodity Credit Corporation through barter for surplus farm products.

Other functions.—Receipts under defense production guaranties, and liquidation of the Federal Facilities Corporation and of certain assets of the former Reconstruction Finance Corporation, offset by a small net expenditure in the abaca fiber program, are estimated to result in net receipts of $2.2 million in 1959.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Major national security:						
057 Stockpiling and defense production expansion			$70,000	$359,745	$195,000	$150,000
International affairs and finance:						
152 Economic and technical development				−12	170	−23
Labor and welfare:						
213 Promotion of public health		$2,000		7,377	8,000	4,000
Commerce and housing:						
515 Community development and facilities				−2		
518 Other aids to business	$8,000			−2,439	−3,683	−2,175
Total, commerce and housing	8,000			−2,441	−3,683	−2,175
General government:						
602 Judicial functions	580			702	281	
605 General property and records management	226,409	267,358	265,770	192,747	246,935	260,938
Total, general government	226,989	267,358	265,770	193,449	247,216	260,938
Interest:						
652 Interest on refunds of receipts				272	250	250
Total, General Services Administration	234,989	269,358	335,770	558,390	446,953	412,990

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
REAL PROPERTY ACTIVITIES							
Current authorizations:							
Operating expenses, Public Buildings Service	605	$131,950,000	$130,242,000	$138,500,000	$124,876,454	$136,100,000	$140,700,000
Repair and improvement, federally owned buildings	605	42,600,550	65,000,000	50,000,000	25,622,440	51,000,000	50,000,000
Sites and expenses, purchase contract projects	605	5,000,000	20,000,000	20,000,000	6,273,700	9,000,000	15,000,000
Payments, public buildings purchase contracts	605	237,000	1,331,100	1,265,000		116,000	700,000
Construction, United States Court of Claims and Federal Office Building, Washington, D. C	605			1,200,000			1,000,000
Construction, United States Mission Building, New York, N. Y	605			3,975,000			1,500,000
Construction, public buildings	605		2,125,000			370,000	1,500,000
Hospital facilities in the District of Columbia	213		2,000,000		1,007,345	4,800,000	3,762,756
Hospital facilities in the District of Columbia (liquidation of contract authorization)	213	(5,300,000)			6,370,105	3,200,000	237,244
Acquisition of land, District of Columbia	605	250,000			250,000		
Miscellaneous accounts:							
Acquisition of land and building, Chicago, Illinois	605					1,000,000	
Additional court facilities (reappropriation)	602	580,000			701,812	281,408	
Construction of public buildings, public buildings	605				50		
Construction, purchase, remodeling, and designing, buildings outside the District of Columbia	605				2,490		
Defense public works, community facilities	515				−2,293		
Emergency operating expenses	605				305,467		
Federal Supply and Records Building	605				13,170		
Liquidation of war assets	605				1,098	287	
Operating expenses	605				814	1,633	
Remodeling the Congress Street Post Office, Chicago, Illinois	605				378,945	400,000	27,295
Renovation and improvement of federally owned buildings outside the District of Columbia	605				67,245	12,151	
Repair, preservation, and equipment, outside the District of Columbia	605				13,966	4,546	
Sites and planning, public buildings outside the District of Columbia	605				52,842	300,000	50,000
United States Post Office, Chicago, Illinois	605				46,383	56,883	
United States Post Office and Courthouse, Nome, Alaska	605	200,000			86,711	850,000	300,000
Veterans' educational facilities, community facilities	106				17		
Permanent authorizations:							
Expenses, disposal of surplus real and related personal property (indefinite special account)	605	381,751	1,000,000	1,000,000	348,724	733,719	1,000,000
Public enterprise funds:							
Cost of maintenance, repair, etc., of improvements, public buildings	605				−543,021	−558,254	−560,000
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings	605				−34,850	−35,000	−32,187
Intragovernmental funds:							
Buildings management fund	605				−783,548	−63,879	−100,000
Construction services, public buildings	605				7,516	−31,558	20,000
Advances and reimbursements, real property activities	605				20,339	15,000	
Proposed for later transmission (under existing legislation):							
Operating expenses, Public Buildings Service	605		3,150,000			2,950,000	200,000
Total, real property activities		181,199,301	224,848,100	215,940,000	165,083,921	210,502,936	215,305,108
PERSONAL PROPERTY ACTIVITIES							
Current authorizations:							
Operating expenses, Federal Supply Service	605	4,180,000	5,027,000	5,480,000	4,035,486	5,000,000	5,420,000
Expenses, supply distribution	605	15,070,000	17,765,000	19,500,000	15,205,228	17,600,000	19,300,000
Intragovernmental funds:							
General supply fund (current appropriation)	605	18,000,000	12,500,000	15,000,000	8,462,180	12,426,401	15,242,000
Administrative expenses, foreign aid procurements	152				−12,422	170,164	−22,900
Advances and reimbursements, personal property activities	605				−152,886	538,100	4,400
Total, personal property activities		37,250,000	35,292,000	39,980,000	27,537,586	35,734,665	39,943,500
RECORDS ACTIVITIES							
Current authorizations:							
Operating expenses, National Archives and Records Service	605	6,893,650	7,293,000	7,650,000	6,936,337	7,300,000	7,600,000
TRANSPORTATION AND UTILITIES ACTIVITIES							
Current authorizations:							
Operating expenses, Transportation and Public Utilities Service	605	1,251,100	1,565,000	2,000,000	1,209,607	1,555,000	1,950,000
Proposed for later transmission (under existing legislation):							
Operating expenses, Transportation and Public Utilities Service	605		100,000			95,000	5,000
Total, transportation and utilities activities		1,251,100	1,665,000	2,000,000	1,209,607	1,650,000	1,955,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
DEFENSE MATERIALS ACTIVITIES							
Current authorizations:							
Strategic and critical materials	057			$70,000,000	$359,744,688	$195,000,000	$150,000,000
Acquisition of tin	518	$8,000,000			8,000,000		
Public enterprise funds:							
Abaca fiber program	518				1,273,843	4,805	577,000
Limitation on administrative expenses, abaca fiber program	518	(100,000)	($47,000)	(47,000)			
Defense production guaranties, defense materials procurement activities	518				−230,792	−532,714	−748,800
Total, defense materials activities		8,000,000		70,000,000	368,787,739	194,472,091	149,828,200
GENERAL ACTIVITIES							
Current authorizations:							
Salaries and expenses, Office of Administrator	605	395,000	260,000	200,000	369,111	265,600	204,000
Administrative operations	605				176,776	162	
Refunds under Renegotiation Act (interest)	652				272,430	250,000	250,000
Public enterprise funds:							
Federal Facilities Corporation fund	518				−10,300,835	−2,543,469	−1,287,500
Limitation on administrative expenses, Federal Facilities Corporation fund	518	(425,000)	(50,000)	(50,000)			
Reconstruction Finance Corporation liquidation fund	518				−1,181,405	−612,026	−715,428
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund	518	(77,900)	(55,000)	(54,000)			
Intragovernmental funds:							
Administrative operations fund	605				−493,545	−80,000	−100,000
Working capital fund	605				−7,826	13,404	7,100
Total, general activities		395,000	260,000	200,000	−11,165,294	−2,706,329	−1,641,828
Total new obligational authority and budget expenditures		234,989,051	269,358,100	335,770,000	558,389,896	446,953,363	412,989,980
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$234,027,300	$265,108,100	$334,770,000			
Appropriations to liquidate contract authorization		(5,300,000)			$558,389,896	$443,908,363	$412,784,980
Reappropriations		580,000					
Permanent authorizations: Appropriations		381,751	1,000,000	1,000,000			
Proposed for later transmission: Appropriations			3,250,000			3,045,000	205,000
Total new obligational authority and budget expenditures		234,989,051	269,358,100	335,770,000	558,389,896	446,953,363	412,989,980

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
REAL PROPERTY ACTIVITIES										
Cost of maintenance, repair, etc., of improvements, public buildings	605	$6	$42	$40	$549	$600	$600	−$543	−$558	−$560
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings	605	8	8	11	43	43	43	−35	−35	−32
DEFENSE MATERIALS ACTIVITIES										
Abaca fiber program	518	3,263	3,047	2,222	1,989	3,042	1,645	1,274	5	577
Defense production guaranties, defense materials procurement activities	518	39	135	15	270	668	764	−231	−533	−749
GENERAL ACTIVITIES										
Federal Facilities Corporation fund	518	16,363	3,174	95	26,664	5,717	1,383	−10,301	−2,543	−1,288
Reconstruction Finance Corporation liquidation fund	518	8,164	107	106	9,346	719	821	−1,181	−612	−715
Total, public enterprise funds		27,843	6,513	2,489	38,861	10,789	5,256	−11,017	−4,276	−2,767

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
REAL PROPERTY ACTIVITIES											
Current authorizations:											
Operating expenses, Public Buildings Service		$4,115		$10,643		$4,785	$138,500	$137,000	$3,700		$2,585
Repair and improvement, federally owned buildings	$865	13,329	$11,373	30,308	$11,373	44,308	50,000	25,000	25,000		44,308
Sites and expenses, purchase contract projects	11,582	13,952	3,652	12,954		24,454	20,000	1,000	14,000		29,454
Payments, public buildings purchase contracts						7	1,265	693	7		572
Construction, United States Court of Claims and Federal Office Building, Washington, D. C							1,200	1,000			200
Construction, United States Mission Building, New York, N. Y							3,975	1,500		$295	2,475
Construction, public buildings					175	1,755			1,500	20	255
Hospital facilities in the District of Columbia	7,057	13,871	5,930	11,793	150	5,794				130	1,794
Hospital facilities in the District of Columbia (liquidation of contract authorization)	2,640	5,300							4,000		
Miscellaneous accounts:											
Acquisition of land and building, Chicago, Illinois	1,000	1,000	1,000	1,000							
Additional court facilities		637		281							
Construction of public buildings, public buildings	1	1									
Construction, purchase, remodeling and designing, buildings outside the District of Columbia, public buildings	3	5									
Defense public works, community facilities	157	157	159	159	12	12				12	12
Emergency operating expenses		313									
Federal Supply and Records Building	2	14	1	1							
General Accounting Office Building	5	5									
Operating expenses				2							
Remodeling the Congress Street Post Office, Chicago, Illinois	507	806	348	427		27			27		
Renovation and improvement of federally owned buildings outside the District of Columbia	6	94	15	27							
Repair, preservation, and equipment, outside the District of Columbia				4							
Sites and planning, public buildings outside the District of Columbia	615	1,462	1,134	1,134	284	334			50	284	284
United States Post Office, Chicago, Illinois	61	103	55	57							
United States Post Office and Courthouse, Nome, Alaska	1,100	1,100	110	1,213	31	363			300		63
Permanent authorizations:											
Expenses, disposal of surplus real and related personal property (indefinite special account)		130		134		400	1,000	600	400		400
Public enterprise funds:											
Cost of maintenance, repair, etc., of improvements, public buildings	564	564	543	543	557	557			−560	557	[1] 557
Maintenance, etc., Layfayette Building, Washington, D. C., public buildings	39	39	35	35	35	35			−32	33	[2] 32
Intragovernmental funds:											
Buildings management fund	5,661	6,452	6,640	7,236	6,367	7,067			−100	6,467	7,167
Construction services, public buildings	129	319	138	311	118	342			20	88	322
Advances and reimbursements, real property activities				15							
Proposed for later transmission (under existing legislation):											
Operating expenses, Public Buildings Service						200			200		
Total, real property activities	31,994	63,768	31,133	78,277	19,102	90,440	215,940	166,793	48,512	7,886	90,480
PERSONAL PROPERTY ACTIVITIES											
Current authorizations:											
Operating expenses, Federal Supply Service		210		220		247	5,480	5,220	200		307
Expenses, supply distribution		872		726		891	19,500	18,500	800		1,091
Intragovernmental funds:											
General supply fund	−190	6,676	11,652	14,698	13,492	13,692	15,000	15,000	242	17,350	[3] 12,250
Administrative expenses, foreign aid procurements	643	594	471	607	474	436			−23	499	459
Advances and reimbursements, personal property activities	79	480	160	716		178			4		174
Total, personal property activities	532	8,832	12,283	16,967	13,966	15,444	39,980	38,720	1,223	17,849	14,281
RECORDS ACTIVITIES											
Current authorizations:											
Operating expenses, National Archives and Records Service	41	393	1	344		337	7,650	7,270	330		387

[1] Excludes capital transfer in 1959 of $560 thousand.

[2] Excludes capital transfer in 1959 of $35 thousand.

[3] Excludes capital transfer in 1959 of $1,200 thousand.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
TRANSPORTATION AND UTILITIES ACTIVITIES											
Current authorizations:											
Operating expenses, Transportation and Public Utilities Service		$53		$77		$87	$2,000	$1,865	$85		$137
Proposed for later transmission:											
Operating expenses, Transportation and Public Utilities Service						5			5		
Total, transportation and utilities activities		53		77		92	2,000	1,865	90		137
DEFENSE MATERIALS ACTIVITIES											
Current authorizations:											
Strategic and critical materials	$389,030	767,306	$198,560	407,561	$76,663	212,561	70,000	60,000	90,000		132,561
Public enterprise funds:											
Abaca fiber program	5,296	6,163	4,562	4,889	4,593	4,885			577	$4,016	4,308
Defense production guaranties, defense materials procurement activities	3,677	3,644	3,941	3,875	4,596	4,408			−749	5,324	5,157
Total, defense materials activities	398,003	777,113	207,063	416,325	85,852	221,854	70,000	60,000	89,828	9,340	142,026
GENERAL ACTIVITIES											
Current authorizations:											
Salaries and expenses, Office of Administrator				20		14	200	190	14		10
Administrative operations		171									
Refunds under Renegotiation Act (interest)	180	180	500	500	250	250			250		
Public enterprise funds:											
Federal Facilities Corporation fund	18,401	24,564	11,601	9,865	13,995	12,408			−1,287	15,285	13,695
Reconstruction Finance Corporation liquidation fund	10,773	6,638	12,469	7,819	12,305	8,091			−715	12,660	[4] 8,756
Intragovernmental funds:											
Administrative operations fund				471		551			−100		651
Working capital fund	64	131	78	138	64	123			7	56	[5] 115
Total, general activities	29,418	31,684	24,648	18,813	26,614	21,437	200	190	−1,831	28,001	23,227
Total, General Services Administration	459,988	881,843	275,128	530,803	145,534	349,604	335,770	274,838	138,152	63,076	270,538
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$412,212	$820,279	$222,838	$479,585	$88,938	$296,626				$741	$216,895
Contract authorizations	2,640	5,300									
Revolving and management funds:							$335,770	$274,838	$137,947		
Public enterprise funds	38,750	41,612	33,151	27,026	36,081	30,384				37,875	[6] 32,505
Intragovernmental funds	6,386	14,652	19,139	24,192	20,515	22,389				24,460	[7] 21,138
Proposed for later transmission:											
Appropriations						205			205		
Total, General Services Administration	459,988	881,843	275,128	530,803	145,534	349,604	335,770	274,838	138,152	63,076	270,538

[4] Excludes capital transfer in 1959 of $50 thousand.
[5] Excludes capital transfer in 1959 of $1 thousand.
[6] Excludes capital transfers in 1959 of $645 thousand.
[7] Excludes capital transfers in 1959 of $1,201 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$820,279	$479,585	$296,626
Contract authorizations	5,300		
Revolving and management funds	56,264	51,218	52,773
Proposed for later transmission: Appropriations			205
Total balances brought forward	881,843	530,803	349,604
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	234,027	265,108	334,770
Appropriations to liquidate contract authorizations	(5,300)		
Reappropriations	580		
Total new obligational authority under current authorizations	234,607	265,108	334,770
Permanent authorizations: Appropriations	382	1,000	1,000
Total new obligational authority enacted or recommended	234,989	266,108	335,770
Proposed for later transmission: Appropriations		3,250	
Total new obligational authority	234,989	269,358	335,770
Other amounts available:			
Restored from certified claims account	105		
Net transfers of balances from other agencies		9	
Adjustment of balances upward in expired accounts, net	939		
Total other amounts available	1,044	9	
Total budget authorizations available	1,117,876	800,170	685,374
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	558,390	443,908	274,838
Out of balances of prior obligational authority			137,947
Total expenditures from obligational authority enacted or recommended	558,390	443,908	412,785
From obligational authority proposed for later transmission:			
Out of new obligational authority		3,045	
Out of balances of prior obligational authority			205
Total budget expenditures	558,390	446,953	412,990
Amounts no longer available:			
Unobligated balances expiring and lapsing	1,564	1,371	
Capital transfers from revolving funds to receipt accounts	27,119	2,244	1,846
Total amounts no longer available	28,683	3,615	1,846
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	479,585	296,626	216,895
Revolving and management funds	51,218	52,773	53,643
Proposed for later transmission: Appropriations		205	
Total balances carried forward at close of year	530,803	349,604	270,538
Obligations incurred, net	$391,166	$395,337	$416,382

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REAL PROPERTY ACTIVITIES

Current authorizations:

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

[Operating expenses, Public Buildings Service:] For necessary expenses of real property management and related activities as provided by law; furnishings and equipment; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation, and transfer of building space; acquisition by purchase or otherwise and disposal by sale or otherwise of real estate and interests therein; payments in lieu of taxes pursuant to the Act of August 12, 1955 (40 U. S. C. 521); and not to exceed [$222,000] *$281,300* for expenses of travel; [$130,339,000] *$138,500,000*: *Provided*, That this appropriation shall be available, without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a), with respect to buildings or parts thereof, heretofore leased under the appropriation for "Emergency operating expenses". (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$130,339,000** Estimate 1959, [a] **$138,500,000**
Appropriated (adjusted) 1958, **$130,242,000**

[a] Includes $26,700 for activities previously carried under "Salaries and expenses, Office of Administrator," and excludes $90,000 for activities transferred in the estimates to "Operating expenses, National Archives and Records Service." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Buildings management	$110,971,912	$122,484,000	$130,928,000
2. Acquisition and disposal	1,672,795	1,961,400	1,965,400
3. Design and construction	140,515	195,800	196,200
4. Program planning	497,484	1,074,300	1,101,100
5. Service direction	470,739	532,500	533,700
6. Machine tool reserve	513,405	529,000	503,600
7. Administrative operations	3,307,385	3,401,700	3,272,000
Total obligations	117,574,235	130,178,700	138,500,000
Financing:			
Comparative transfers to other accounts	13,558,386	63,300	
Unobligated balance no longer available	817,379		
New obligational authority	131,950,000	130,242,000	138,500,000
New obligational authority:			
Appropriation	$131,950,000	$130,339,000	$138,500,000
Transferred (71 Stat. 232) to—			
"Operating expenses, Federal Supply Service"		−67,000	
"Operating expenses, Transportation and Public Utilities Service"		−30,000	
Appropriation (adjusted)	131,950,000	130,242,000	138,500,000

This appropriation provides for basic real property operations of the Administration including the direction of all real property programs; acquisition, operation, and utilization of general-purpose space; operation of communications facilities; management of excess real property and disposal of surpluses; central direction of all buildings design, construction, and repairs; and maintenance of a machine tool reserve.

The appropriation request for 1959 is a net increase of $5,171,300 above a comparable amount for 1958 which includes a proposed supplemental of $3,150,000.

1. *Buildings management.*—This activity provides for (*a*) rental, operation, protection, and utilization of Government-owned, leased, and purchase contract space, as indicated in the following table:

AVERAGE NET SQUARE FEET

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Government-owned space	54,852,000	54,921,000	54,958,000	54,958,000
Leased space	20,273,000	20,434,000	21,707,000	23,292,000
Purchase contract space	----------	----------	38,000	51,000

(*b*) maintenance and operation of joint-use communication facilities; (*c*) protection and maintenance of excess, surplus, and National Industrial Reserve properties; and (*d*) payments in lieu of taxes on certain properties transferred from the Reconstruction Finance Corporation.

The net increase for 1959 of $5,294,000 over the comparable amount for 1958 is composed of the following items:

Operation and protection of Government-owned space	$300,000
Rental, operation, and protection of leased space	1,214,400
Cost of space supplied to other agencies, reimbursable in 1958	3,195,000
Operation and protection of purchase contract space	15,600
Emergency rapid-written communications	500,000
Contribution to retirement fund	145,000
Maintenance of reserve and surplus properties	−58,000
Payments in lieu of taxes	−18,000
Total	5,294,000

2. *Acquisition and disposal.*—This activity provides for (*a*) acquisition of real property by lease, purchase, exchange, or donation; and (*b*) disposal and utilization of excess, surplus, and industrial reserve property. Sales of surplus properties are estimated at $40,000,000 in 1958 and $26,500,000 in 1959, compared to $25,979,000 in 1956, and $11,560,000 in 1957.

3. *Design and construction.*—This activity provides for a small staff responsible for central technical direction of all programs involving design, construction, and remodeling of Federal buildings.

4. *Program planning.*—This activity provides centralized planning of real property programs covering immediate and long-range building needs; consultation with other agencies to resolve their general problems on space, building service or other property management matters, and to determine immediate and long-range space and services needs; development and application of occupancy standards; development and maintenance of space cost statistics and program performance reporting for managerial use; and appraisal of real property.

6. *Machine-tool reserve.*—A reserve of Government-owned machine tools and industrial equipment is maintained to supply essential needs of the Armed Forces in time of national emergency. It is estimated that an average of 10,808 tons of machine tools will require preservation, maintenance, and analytical testing in 1959, compared to an estimated 9,983 tons in 1958, and 8,756 tons in 1957.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	GENERAL SERVICES ADMINISTRATION			
	Total number of permanent positions	494	538	538
	Full-time equivalent of all other positions	6	----------	----------
	Average number of all employees	415	525	524
	Number of employees at end of year	453	529	529
	Average GS grade and salary	8.5 $6,473	9.0 $6,716	9.0 $6,788
	Average salary of ungraded positions	$4,621	$4,960	$4,960
01	Personal services:			
	Permanent positions	$2,596,245	$3,459,737	$3,484,337
	Positions other than permanent	26,793	----------	----------
	Other personal services	7,834	13,263	13,363
	Total personal services	2,630,872	3,473,000	3,497,700
02	Travel	184,233	222,000	281,300
03	Transportation of things	60,009	49,800	49,800
04	Communication services	82,458	82,000	82,200
05	Rents and utility services	789	22,000	22,000
06	Printing and reproduction	34,534	33,700	33,500
07	Other contractual services	109,963,674	121,711,100	130,067,700
	Payment to "Administrative operations fund"	3,307,385	3,401,700	3,272,000
	Services performed by other agencies	197,045	200,000	200,000
08	Supplies and materials	51,557	43,200	43,300
09	Equipment	1,047,713	715,700	715,700
11	Grants, subsidies, and contributions	----------	217,100	227,400
13	Refunds, awards, and indemnities	5,291	3,800	3,800
15	Taxes and assessments	3,675	3,600	3,600
	Total, General Services Administration	117,569,235	130,178,700	138,500,000
	ALLOCATION TO DEPARTMENT OF THE ARMY			
07	Other contractual services	5,000	----------	----------
	Total obligations	117,574,235	130,178,700	138,500,000

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

REPAIR AND IMPROVEMENT, FEDERALLY OWNED BUILDINGS

[Repair and improvement, federally owned buildings:] For expenses necessary for the repair, alteration, preservation, renovation, improvement, extension, equipment, and demolition of federally owned buildings and buildings occupied pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), not otherwise provided for, including grounds, approaches and appurtenances, wharves and piers, together with the necessary dredging adjacent thereto; acquisition of land as authorized by title III of the Act of June 16, 1949 (40 U. S. C. 297); not to exceed [$260,000] *$300,000* for expenses of travel; and care and safeguarding of sites acquired for Federal buildings; [$65,000,000] *$50,000,000*, to remain available until expended[: *Provided*, That the unexpended balance of appropriations heretofore granted for "Repair, improvement, and equipment of federally owned buildings outside the District of Columbia" shall be merged with this appropriation]. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$65,000,000** Estimate 1959, **$50,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Maintenance repairs	$18,253,744	$17,000,000	$14,500,000
2. Renovation projects	5,773,690	6,700,000	7,500,000
3. Air conditioning	103,945	400,000	400,000
4. Administrative operations	612,036	871,000	750,000
Total operating costs	24,743,415	24,971,000	23,150,000
Capital outlay:			
1. Maintenance repairs	1,225,140	1,000,000	1,000,000
2. Renovation projects	9,068,283	14,108,000	23,100,000
3. Air conditioning	1,147,478	19,000,000	15,500,000
Total capital outlay	11,440,901	34,108,000	39,600,000
Total costs	36,184,316	59,079,000	62,750,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−1,377,078
Obligations incurred for cost of other years (unpaid undelivered orders), net	9,567,097	5,921,000	
Total program (obligations)	45,751,413	65,000,000	61,372,922
Financing:			
Comparative transfers (−) from other accounts	−13,658,571		
Unobligated balance brought forward	−865,214	−11,372,922	−11,372,922
Unobligated balance carried forward	11,372,922	11,372,922	
Appropriation (new obligational authority)	42,600,550	65,000,000	50,000,000

This appropriation provides for repairs, renovations, and improvements for over 4,600 Federal buildings under the jurisdiction of the Administration for that purpose which contain more than 101.3 million net square feet of floor space and were constructed or purchased at a cost exceeding $1.5 billion. Since the start of World War II lack of a general construction program has resulted in deterioration and obsolescence which adversely affects efficient operations of tenant agencies. Recent efforts have been made to alleviate this condition.

1. *Maintenance repairs.*—Normal recurring needs for repairs to buildings and equipment develop at approximately uniform rates each year. However, concentrated effort to accomplish repairs which had to be deferred in prior years is reflected in the heavier accrued costs shown for this activity for 1957 and 1958. About 6% of this program provides for numerous minor capitalized items too small to be considered as "renovation projects."

2. *Renovation projects.*—Elimination of major obsolescence and deterioriation of buildings is provided by bringing the properties up to modern standards of usefulness to improve working conditions and efficiency of occupying agencies. So great is the need for such work that the total program, estimated to cost $144 million at current prices, has been programed over a period of 7 years starting with 1958. It is estimated that over two-thirds of this work will be applied to capital improvements. The increase in accrued costs for 1959 over 1958 results from greater undelivered orders carried over from 1958.

3. *Air conditioning.*—Improvements in working conditions for occupants of buildings located in areas of high temperature and humidity are estimated to cost $328 million at current prices. The program was initiated in 1957 by providing new obligational authority of $18 million followed by $21.5 million in 1958 and $6.6 million is requested for 1959. At the initiation of this program considerable lead time was required for development of drawings and specifications before projects could be placed on the market. The relatively low accrual in 1957 reflects this lead time as contracts were awarded largely in the fourth quarter of the year. Except for a nominal sum each year for program development and supervision, all costs under this activity are considered to be capital improvements.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1956, $12,947,322; 1957, $22,514,419; 1958, $28,435,419; and 1959, $27,058,341.

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel	$184,515	$260,000	$300,000
03	Transportation of things	18,059	25,000	25,000
04	Communication services	48,022	50,000	50,000
05	Rents and utility services	2,415	5,000	5,000
06	Printing and reproduction	79,834	125,000	150,000
07	Other contractual services	25,647,867	35,058,900	34,764,900
	Payment to "Administrative operations fund"	602,550	871,000	750,000
	Services performed by other agencies	19,052	20,000	20,000
08	Supplies and materials	1,377,970	2,000,000	2,000,000
09	Equipment	128,026	175,000	175,000
10	Lands and structures	17,636,708	26,400,000	23,122,922
13	Refunds, awards, and indemnities	6,361	10,000	10,000
15	Taxes and assessments	34	100	100
	Total obligations	45,751,413	65,000,000	61,372,922

SITES AND EXPENSES, PURCHASE CONTRACT PROJECTS

[Sites and expenses, purchase contract and public buildings projects:] For *an additional amount for* expenses necessary in carrying out the provisions of the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), not otherwise provided for, including preparation of drawings and specifications, by contract or otherwise; acquisition of sites, including soil investigations and tests; *rental, alteration, and repair of temporary space required for activities displaced from buildings located on sites to be utilized for construction; restoration of such space; moving Government agencies to such space or completed buildings; furnishings and equipment;* not to exceed [$100,000] *$200,000* for expenses of travel; [and] administrative expenses; *and for preliminary planning of public buildings projects;* $20,000,000, to remain available until expended[, and not to exceed $500,000 of this amount shall be available for construction of approved small public buildings projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341): *Provided*, That no part of such funds shall be used during the current fiscal year for preparation of drawings and specifications, acquisition of sites, design, planning, construction, or in any other manner for or in connection with proposed Federal office building numbered 7 on square 167 in the District of Columbia (project numbered 3–DC–05, General Services Administration prospectus submitted July 13, 1956)]. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$20,000,000** Estimate 1959, **$20,000,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Site acquisition	$11,289,620	$17,732,000	$2,575,000
2. Design, engineering, etc.	1,610,986	5,405,995	14,955,000
3. Construction		500,000	
4. Rents, moving, alterations, etc.			1,950,000
5. Program development and administration	163,413	350,000	350,000
6. Administrative operations	141,000	164,000	170,000
Total obligations	13,205,019	24,151,995	20,000,000
Financing:			
Unobligated balance brought forward	−11,582,014	−3,651,995	
Unobligated balance transferred from "Sites and planning, public buildings outside the District of Columbia" (69 Stat. 458)	−275,000	−500,000	
Unobligated balance carried forward	3,651,995		
Appropriation (new obligational authority)	5,000,000	20,000,000	20,000,000

This program provides for planning, site acquisition, design, construction supervision, temporary provisions for agencies displaced by construction, and other program expense in connection with the acquisition of buildings by the Government through lease-purchase arrangements or otherwise.

During the 3 years prior to July 22, 1957, when the Public Buildings Purchase Contract Act of 1954 expired, except for certain projects in the District of Columbia, 98 projects had been approved for amounts totaling $692.5 million, but now estimated at $760.7 million at current costs. One project has been completed in 1958 and 32 are scheduled for completion in 1959.

The estimate for 1959 of $20 million, together with amounts previously available, will provide for sites, design contracts, some to tentative stage only, and miscellaneous expense related to 92 projects and for certain preliminary planning of public buildings projects.

Funds for payment of principal, with interest, and taxes on completed projects are provided under the appropriation for payments, public buildings purchase contracts.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	20	36	33
	Average number of all employees	13	33	33
	Number of employees at end of year	13	33	33
	Average GS grade and salary	8.4 $6,377	7.9 $5,984	8.1 $6,125
01	Personal services:			
	Permanent positions	$77,752	$200,925	$200,925
	Other personal services	923	775	775
	Total personal services	78,675	201,700	201,700
02	Travel	12,529	100,000	200,000
03	Transportation of things	1,357	90,000	150,000
04	Communication services	1,255	5,000	5,000
06	Printing and reproduction	47,264	350,000	700,000
07	Other contractual services	1,630,336	5,477,595	15,368,100
	Payment to "Administrative operations fund"	141,000	164,000	170,000
	Services performed by other agencies	1,856	2,000	2,000
08	Supplies and materials	929	15,000	15,000
09	Equipment	568	2,000	600,000
10	Lands and structures	11,288,916	17,732,000	2,575,000
11	Grants, subsidies, and contributions		12,600	13,100
13	Refunds, awards, and indemnities	275		
15	Taxes and assessments	59	100	100
	Total obligations	13,205,019	24,151,995	20,000,000

Payments, Public Buildings Purchase Contracts

[Payments, public buildings purchase contracts:] For payments of principal, interest, taxes, and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), [$1,331,100] *$1,265,000*: *Provided*, That the Administrator of General Services may enter into contracts during the fiscal year [1958] *1959* for which the aggregate of annual payments for amortization of principal and interest thereon shall not exceed *$11,000,000, in addition to* the unused portion of the $12,000,000 limitation applicable prior to July 1, [1957] *1958*, under the Independent Offices Appropriation Act, [1957 (70 Stat. 343)] *1958 (71 Stat. 230)*. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$1,331,100** Estimate 1959, **$1,265,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Principal and interest		$105,400	$1,135,000
2. Taxes		17,900	130,000
Total obligations		123,300	1,265,000
Financing:			
Unobligated balance no longer available	$237,000	1,207,800	
Appropriation (new obligational authority)	237,000	1,331,100	1,265,000

Under the program to acquire buildings through lease-purchase arrangements, 76 buildings costing some $297 million are expected to be under purchase contract by the end of 1959 on which the annual payments for principal and interest during the contract period will total $23 million. This is an increase of $11 million over present limitations for entering into contracts, authorization for which is proposed for 1959. The estimate for 1959 for payments to contractors, and taxes, covers 33 projects scheduled for occupancy prior to June 30, 1959.

Object Classification

		1957 actual	1958 estimate	1959 estimate
10	Lands and structures		$105,400	$638,000
14	Interest			497,000
15	Taxes and assessments		17,900	130,000
	Total obligations		123,300	1,265,000

Construction, United States Court of Claims and Federal Office Building, Washington, D. C.

For expenses necessary for preparation of plans and specifications for a building in Washington, D. C., for use of the United States Court of Claims, and agencies of the executive branch of the Government, pursuant to the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $1,200,000, to remain available until expended.

Estimate 1959, **$1,200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Design, etc. (total obligations)			$1,200,000
Financing:			
Appropriation (new obligational authority)			1,200,000

Drawings and specifications will be prepared for the construction of a building at 17th and Pennsylvania Avenue NW., having approximately 846,000 square feet, estimated to cost $31.2 million exclusive of site, for the use of the United States Court of Claims and agencies of the executive branch of the Government. It is planned to award the design contract about August 1, 1958, for completion in late 1959.

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

CONSTRUCTION, UNITED STATES COURT OF CLAIMS AND FEDERAL OFFICE BUILDING, WASHINGTON, D. C.—Continued

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel			$1,000
06	Printing and reproduction			4,000
07	Other contractual services			1,195,000
	Total obligations			1,200,000

CONSTRUCTION, UNITED STATES MISSION BUILDING, NEW YORK, N. Y.

For construction of a building in New York, N. Y., for use as the headquarters of the United States Mission to the United Nations, pursuant to the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $3,975,000, to remain available until expended.

Estimate 1959, **$3,975,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Supervision, inspection, etc			$50,000
2. Construction			3,630,000
Total obligations			3,680,000
Financing:			
Unobligated balance carried forward			$295,000
Appropriation (new obligational authority)			3,975,000

This item provides for the construction of a building in New York City, to house the United States Mission to the United Nations presently housed in leased space which is unsatisfactory for security reasons. The site has been acquired through condemnation and the design is underway, both financed under "Sites and expenses, purchase contract projects."

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel			$2,000
03	Transportation of things			1,000
06	Printing and reproduction			5,000
07	Other contractual services			42,000
10	Lands and structures			3,630,000
	Total obligations			3,680,000

[CONSTRUCTION, PUBLIC BUILDINGS]

[Construction, public buildings: For construction of public buildings pursuant to the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $2,125,000, to remain available until expended.] (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$2,125,000**

Program and Financing

	Costs to this appropriation				Analysis of 1959 financing			Appropriation required to complete
	Total estimate	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1959	
Program by activities:								
1. Brownsville, Tex., border station	$565,000		$37,700	$450,000	$527,300	$77,300		
2. Eagle Pass, Tex., border station	365,000		60,400	280,000	304,600	24,600		
3. Madawaska, Maine, border station	195,000		50,200	144,800	144,800			
4. Massena Point, N. Y., border station	280,000		44,200	205,200	235,800	30,600		
5. San Ysidro, Calif., border station	720,000		177,500	450,000	542,500	92,500		
Total program costs	2,125,000		370,000	1,530,000	1,755,000	225,000		
6. Relation of costs to obligations:								
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−1,374,700				
Obligations incurred for costs of other years (unpaid undelivered orders), net			1,580,000					
Total program (obligations)			1,950,000	155,300				
Financing:								
Unobligated balance brought forward				−175,000				
Unobligated balance carried forward			175,000	19,700				
Appropriation (new obligational authority)			2,125,000					

Funds were appropriated in 1958 for acquisition of sites, design, and construction of five border stations. It is estimated that designs will be completed and construction contracts awarded late in 1958 for completion in 1959 or early in 1960.

Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1958, $1,580,000; and 1959, $205,300.

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel		$3,000	$2,000
04	Communication services		1,000	1,000
06	Printing and reproduction		10,000	2,000
07	Other contractual services		129,000	91,000
10	Lands and structures		1,807,000	59,300
	Total obligations		1,950,000	155,300

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[Hospital Facilities in the District of Columbia]

[Hospital facilities in the District of Columbia: For an additional amount for expenses necessary in carrying out the provisions of the Act of August 7, 1946 (60 Stat. 896), as amended, authorizing the establishment of a hospital center in the District of Columbia, including grants to private agencies for hospital facilities in said District, $1,500,000, to remain available until expended: *Provided*, That the limitation on the total amount for completion of the hospital center is increased from $21,700,000 to $23,200,000: *Provided further*, That this paragraph shall become effective only upon approval of the increased authorization proposed in S. 2194 and/or H. R. 7835, Eighty-fifth Congress.]

[For an additional amount for expenses necessary in carrying out the provisions of the Act of August 7, 1946 (60 Stat. 896), as amended, authorizing the establishment of a hospital center in the District of Columbia, including grants to private agencies for hospital facilities in said District, $500,000, to remain available until expended: *Provided*, That the limitation under this head in the Act of July 15, 1952 (66 Stat. 644), as amended, on the total amount to be provided for completion of grant projects, is increased from $13,010,000 to $13,300,000: *Provided further*, That the limitation on the total amount for completion of the hospital center is increased from $23,200,000 to $23,410,000.] (*Independent Offices Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$2,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction	$385,448	$1,746,392	
2. Grants	1,892,089	4,883,530	$20,000
Total obligations	2,277,537	6,629,922	20,000
Financing:			
Unobligated balance brought forward	−7,057,251	−4,779,714	−149,792
Unobligated balance carried forward	4,779,714	149,792	129,792
Appropriation (new obligational authority)		2,000,000	

Improvements of private hospital facilities in the District of Columbia are made under legislation authorizing appropriations of $36,710,000.

1. *Construction.*—Under authorized appropriations of $23,410,000, a hospital center has been substantially completed. Air conditioning the nurses home, equipment, landscaping, and other features incidental to physical completion of the project will be accomplished late in 1958.

2. *Grants.*—Under authorized appropriations of $13,300,000, grants are being made to private agencies in the District of Columbia for improving hospital facilities. Building costs are estimated at $30.8 million, involving grants of about $13 million. Approximately $6.5 million, representing 50% of the grants, will be reimbursed by the District of Columbia over a period of years.

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel	$39	$1,000	$1,000
03	Transportation of things	374	500	100
04	Communication services	245	200	200
06	Printing and reproduction	4,441	1,000	1,000
07	Other contractual services	288,870	118,913	17,200
08	Supplies and materials	4,240	1,000	500
09	Equipment		1,510,000	
10	Lands and structures	104,828	153,769	
11	Grants, subsidies, and contributions	1,874,500	4,843,540	
	Total obligations	2,277,537	6,629,922	20,000

Hospital Facilities in the District of Columbia (Liquidation of Contract Authorization)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)	$1,490,053	$1,150,078	

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward:			
Appropriation		−$1,150,078	
Contract authorization	−$2,640,131		
Unobligated balance carried forward (appropriation)	1,150,078		
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$5,300,000		
Appropriation to liquidate contract authorization	5,300,000		

Appropriations have been made for contract payments totaling $19.5 million for construction of the hospital center which is now substantially completed. Some features incidental to physical completion of the project will not be accomplished until late in fiscal 1958.

Object Classification

		1957 actual	1958 estimate	1959 estimate
08	Supplies and materials	$202,706	$100,000	
09	Equipment	920,379	476,915	
10	Lands and structures	366,968	573,163	
	Total obligations	1,490,053	1,150,078	

Acquisition of Land, District of Columbia

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Site acquisition (total obligations)	$250,000		
Financing:			
Appropriation (new obligational authority)	250,000		

Object Classification

10	Lands and structures	$250,000		

Real Property Activities Miscellaneous Accounts

NOTE.—The following schedule includes unobligated balances for—
"Construction, purchase, remodeling, and designing buildings outside the District of Columbia"
"Defense public works, community facilities."
"Federal Courts Building, District of Columbia"
"General Accounting Office Building, District of Columbia"
"Renovation and improvement of federally owned buildings outside the District of Columbia"

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Acquisition of land and building, Chicago, Ill."		$1,000,000	
2. "Additional court facilities"	$345,539		
3. "Construction of public buildings"	50		
4. "Federal Supply and Records Building"	1,000		
5. "Remodeling the Congress Street Post Office, Chicago, Illinois"	159,456	347,993	
6. "Sites and planning, public buildings outside the District of Columbia"	50,534	350,000	
7. "United States Post Office, Chicago, Illinois"	5,943	55,440	
8. "United States Post Office and Courthouse, Nome, Alaska"	1,189,452	80,000	$30,548
Total obligations	1,751,974	1,833,433	30,548

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

REAL PROPERTY ACTIVITIES MISCELLANEOUS ACCOUNTS—Con.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$3,457,015	−$2,822,640	−$326,876
Unobligated balance transferred to "Sites and expenses, purchase contract projects" (69 Stat. 458)	275,000	500,000	
Recovery of prior year obligations	−856,363		
Unobligated balance carried forward	2,822,640	326,876	296,328
Unobligated balance no longer available	243,764	162,331	
New obligational authority	780,000		
Appropriation (United States Post Office and Courthouse, Nome, Alaska)	200,000		
Reappropriation (additional court facilities)	580,000		

1. *Acquisition of land and building, Chicago, Ill.*—Condemnation procedings for the acquisition of the Rand-McNally Building, Chicago, Ill., are in process to provide housing for certain agencies in the Chicago area.

5. *Remodeling the Congress Street Post Office, Chicago, Ill.*—The completion of a contract for remodeling the Congress Street Post Office at Chicago, Ill., to accommodate the city's construction of a superhighway through the building and other contracts for appurtenant work are contemplated for late in 1958 or early in 1959.

6. *Sites and planning, public buildings outside the District of Columbia.*—Balance available is reserved in event additional court awards are granted for sites previously acquired by condemnation.

8. *United States Post Office and Courthouse, Nome, Alaska.*—Contract for construction of a new post office and courthouse at Nome, Alaska, was awarded in July 1956, with completion scheduled for January 1959, at a cost of $1.3 million.

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel	$822	$2,000	$2,000
03	Transportation of things	2,647		
04	Communication services	2		
06	Printing and reproduction	59	2,100	
07	Other contractual services	27,842	52,240	8,165
08	Supplies and materials	63		
09	Equipment	14,060		
10	Lands and structures	1,706,479	1,777,093	20,383
	Total obligations	1,751,974	1,833,433	30,548

Permanent authorizations:

EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

(Indefinite special account)

Appropriated 1958, **$1,000,000** Estimate 1959, **$1,000,000**

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$3,932,254	$3,035,307	$4,500,000
Receipts	18,948,126	18,000,000	19,000,000
Unobligated balance returned to unappropriated receipts	−19,045,073	−15,535,307	−17,700,000
Total available for appropriation	3,835,307	5,500,000	5,800,000
Deduct appropriation	800,000	1,000,000	1,000,000
Unappropriated balance carried forward	3,035,307	4,500,000	4,800,000

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Appraisers' fees and surveying	$174,340	$300,000	$300,000
2. Auctioneers' and brokers' fees	98,559	450,000	450,000
3. Advertising	108,852	250,000	250,000
Total obligations	381,751	1,000,000	1,000,000
Financing:			
Appropriation (new obligational authority)	381,751	1,000,000	1,000,000

Appraisers, auctioneers, and brokers familiar with local markets are used to accelerate the disposal of surplus real and related personal property. Fees and costs of advertising and surveying are paid out of receipts, subject to a limit of 12% of the proceeds of all dispositions within each year (68 Stat. 1051). This method of disposal produced sales amounting to $2.3 million in 1957 and is estimated to produce $12 million in 1958 and $15 million in 1959.

Object Classification

		1957 actual	1958 estimate	1959 estimate
06	Printing and reproduction	$379	$1,000	$1,000
07	Other contractual services	381,372	999,000	999,000
	Total obligations	381,751	1,000,000	1,000,000

Public enterprise funds:

COST OF MAINTENANCE, REPAIR, ETC., OF IMPROVEMENTS, PUBLIC BUILDINGS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating expense (total costs)	$5,541	$40,000	$40,000
Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−112		
Obligations incurred for costs of other years (unpaid undelivered orders), net		1,712	1,000
Total program (obligations)	5,429	41,712	41,000
Financing:			
Amounts becoming available: Revenues and receipts: Rentals	548,935	600,000	600,000
Unobligated balance brought forward	564,189	543,106	558,000
Total amounts available	1,113,124	1,143,106	1,158,000
Capital transfer (payment of profits to Treasury) (−)	−564,589	−543,394	−560,000
Unobligated balance carried forward	−543,106	−558,000	−557,000
Financing applied to program	5,429	41,712	41,000

Rentals received from occupants of sites or improvements thereon acquired for future construction of Federal buildings are used for necessary maintenance, repairs, and alterations (40 U. S. C. 345). Profits are paid into Treasury as miscellaneous receipts.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1956, $400; 1957, $288; 1958, $2,000; and 1959, $3,000.

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$5,688	$40,000	$40,000
Increase in selected working capital	373	1,746	
Total gross expenditures	6,061	41,746	40,000
Receipts from operations (funds provided):			
Revenue	549,009	600,000	600,000
Adjustment of prior year transactions, net	73		
Total receipts from operations	549,082	600,000	600,000
Budget expenditures	−543,021	−558,254	−560,000

Revenue, Expense, and Retained Earnings

Revenue	$549,009	$600,000	$600,000
Expense	5,688	40,000	40,000
Net income for the year	543,321	560,000	560,000
Analysis of retained earnings:			
Retained earnings, beginning of year	564,589	543,394	560,000
Adjustment of prior year transactions:			
Affecting expense	57		
Affecting revenue	16		
Payment of profits to Treasury (−)	−564,589	−543,394	−560,000
Retained earnings, end of year	543,394	560,000	560,000

Financial Condition

Assets:			
Cash with Treasury	$542,640	$557,500	$557,500
Accounts receivable, net	22,709	27,500	27,500
Total assets	565,349	585,000	585,000
Liabilities:			
Current	21,955	25,000	25,000
Government investment:			
Retained earnings	543,394	560,000	560,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$564,208	$542,640	$557,500	$557,500
Obligated balance, net:				
Current liabilities	18,700	21,955	25,000	25,000
Unpaid undelivered orders	400	288	2,000	3,000
Accounts receivable, net and cash in transit (−)	−19,081	−22,709	−27,500	−27,500
Total obligated balance	19	−466	−500	500
Unobligated balance	564,189	543,106	558,000	557,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
05 Rents and utility services	$7	$100	$100
07 Other contractual services	5,534	39,900	39,900
Total costs	5,541	40,000	40,000
Increase or decrease (−) in undelivered orders	−112	1,712	1,000
Total obligations	5,429	41,712	41,000

Maintenance, Etc., Lafayette Building, Washington, D. C., Public Buildings

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating expense (total costs—obligations)	$7,998	$8,000	$10,000
Financing:			
Amounts becoming available: Revenue:			
Rentals	$43,259	$43,000	$43,000
Unobligated balance brought forward	39,100	35,261	35,000
Total amounts available	82,359	78,261	78,000
Capital transfer (payment of profits to Treasury) (−)	−39,100	−35,261	−35,000
Unobligated balance carried forward	−35,261	−35,000	−33,000
Financing applied to program	7,998	8,000	10,000

Rentals received from commercial occupants are used for maintenance and repair (62 Stat. 644). Profits are paid into Treasury as miscellaneous receipts.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$7,998	$8,000	$10,000
Increase in selected working capital	411		813
Total gross expenditures	8,409	8,000	10,813
Receipts from operations (funds provided):			
Revenue	43,259	43,000	43,000
Budget expenditures	−34,850	−35,000	−32,187

Revenue, Expense, and Retained Earnings

Revenue	$43,259	$43,000	$43,000
Expense	7,998	8,000	10,000
Net income for the year	35,261	35,000	33,000
Analysis of retained earnings:			
Retained earnings, beginning of year	39,100	35,261	35,000
Payment of profits to Treasury (−)	−39,100	−35,261	−35,000
Retained earnings, end of year	35,261	35,000	33,000

Financial Condition

Assets:			
Cash with Treasury	$34,774	$34,513	$31,700
Accounts receivable, net	1,300	1,300	1,300
Total assets	36,074	35,813	33,000
Liabilities:			
Current	813	813	
Government investment:			
Retained earnings	35,261	35,000	33,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$39,024	$34,774	$34,513	$31,700
Obligated balance, net:				
Current liabilities	1,224	813	813	
Accounts receivable, net (−)	−1,300	−1,300	−1,300	−1,300
Total obligated balance	−76	−487	−487	−1,300
Unobligated balance	39,100	35,261	35,000	33,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$7,998	$8,000	$10,000

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REAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds:

BUILDINGS MANAGEMENT FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Operation and protection of Government-owned space	$62,576,350	$72,073,000	$72,972,000
2. Rent, operation, and protection of leased space	66,427,483	70,602,000	71,849,400
3. Operation and protection of purchase-contract space		47,800	64,400
4. Moving, alterations, and furniture	1,798,637	2,012,000	2,012,000
5. Operation of communication facilities	15,424,834	16,319,900	16,828,600
6. Maintenance of reserve and surplus properties		713,800	656,500
7. Payments in lieu of taxes		696,000	678,000
8. Security guarding	3,525,278	3,825,000	3,835,000
9. Job order work	37,701,755	39,710,500	40,104,100
Adjustment of prior-year expense	−57,116		
Net gain (−) on disposal of equipment	−12,998		
Total operating costs	187,384,223	206,000,000	209,000,000
Adjustment of costs included above, not requiring funding	12,998		
Depreciation included above (−)	−344,213	−325,000	−325,000
Total operating costs, funded	187,053,008	205,675,000	208,675,000
Capital outlay:			
Acquisition of equipment, net	127,341	325,000	325,000
Property transferred out without charge	177,141		
Capital outlay, funded	304,482	325,000	325,000
Total program costs, funded	187,357,490	206,000,000	209,000,000
Relation of costs to obligations: Obligations incurred for costs of other years, net	7,569,463	329,002	400,000
Total program (obligations)	194,926,953	206,329,002	209,400,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of goods and services	187,666,028	206,000,000	209,000,000
Increase in accepted orders on hand	8,143,445	288,340	500,000
Sale of equipment	3,802		
Other revenue	93,115		
Total amounts becoming available	195,906,390	206,288,340	209,500,000
Unobligated balance brought forward	5,660,857	6,640,294	6,367,213
Total amounts available	201,567,247	212,928,634	215,867,213
Capital transfer (payment of earnings to Treasury) (−)		−232,419	
Unobligated balance carried forward	−6,640,294	−6,367,213	−6,467,213
Financing applied to program	194,926,953	206,329,002	209,400,000

This fund finances, on a reimbursable basis, buildings management activities consisting of: management, rental, operation, and protection of Government-owned and leased space in and outside the District of Columbia for housing Federal agencies; repair and improvement including certain major renovation and air conditioning of Government-owned space managed by General Services Administration; operation of joint-use communication facilities; protection and maintenance of excess, surplus, and national industrial reserve properties; payments in lieu of taxes on certain properties transferred from the Reconstruction Finance Corporation; and other related building services (66 Stat. 594). Retained earnings resulting from operations, after making provision for prior year losses, if any, are paid into the Treasury as miscellaneous receipts.

Operating costs for 1959 are estimated at $209 million, a net increase of $3 million over 1958.

1. *Operation and protection of Government-owned space.*—Provides for operation and protection of 70,991,000 average square feet of space in 1959 compared to 70,403,000 square feet in 1958 and 69,525,580 in 1957. The change from 1957 reflects mainly space progressively occupied by Atomic Energy Commission and National Security Agency at their new installations.

2. *Rent, operation, and protection of leased space.*—Provides for 34,845,000 average square feet in 1959 compared to 34,500,000 in 1958 and 33,924,543 in 1957, based on currently projected programs of Federal agencies.

3. *Operation and protection of purchase contract space.*—Provides for the operation and protection of a post office and courthouse building at Rock Island, Ill., which was completed in November 1957.

4. *Moving, alterations, and furniture.*—Provides for minimum of moving, alterations, and furniture based on experience factors derived from buildings management operations.

5. *Operation of communication facilities.*—Provides for management and operation of telecommunication services and facilities for use of Federal agencies. Increase in 1959 over 1958 provides for third phase of a program for relocating and expanding facilities of General Services Administration rapid-written communications to promote continuity of Government operations in event of emergency.

6. *Maintenance of reserve and surplus properties.*—A reserve of Government-owned industrial plants is maintained and minimum maintenance is provided certain excess and surplus real properties, pending disposal action. Reserve properties totaled 5 in 1957 and 7 are programed for 1958 and 1959. Surplus properties totaled 26 in 1957 and are estimated at 23 and 12, respectively, in 1958 and 1959.

7. *Payments in lieu of taxes.*—Real property taxes on certain properties which were transferred to General Services Administration from Reconstruction Finance Corporation and which are due during the period January 1, 1955, to December 31, 1958, are paid. Payments were made on 35 properties in 1957 and, based on current disposal objectives, will be reduced to 32 properties in 1958 and 31 properties in 1959.

8. *Security guarding.*—Provides extra guarding service for other agencies where specifically authorized by law.

9. *Job order work.*—Special services and improvements to buildings are provided under this heading, including lighting, certain air conditioning, painting, repair, and modernization of work space.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$17,549	$25,649	$25,000	$25,000
Inventories, supplies, and materials	2,440,175	2,513,321	2,500,000	2,500,000
Inventory, work in process	2,861,983	2,787,102	2,800,000	2,800,000
Deferred charges	31,190	59,887	50,000	50,000
Unpaid undelivered orders	7,708,640	15,260,039	15,600,000	16,000,000
Total selected resources at end of year	13,059,537	20,645,998	20,975,000	21,375,000
Selected resources at start of year (−)		−13,059,537	−20,645,998	−20,975,000
Increase in selected resources		7,586,461	329,002	400,000
Nonreimbursable transfers of inventories		−16,998		
Obligations incurred for costs of other years, net		7,569,463	329,002	400,000

Operating results and financial condition.—At the end of 1957 the net investment in the fund was $8.2 million, composed of $3.5 million appropriated, $4.5 million capitalized assets, plus $0.2 million of retained earnings.

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$304,482	$325,000	$325,000
Expense	187,112,617	205,675,000	208,675,000
Total gross expenditures	187,417,099	206,000,000	209,000,000
Receipts from operations (funds provided):			
Revenue	187,789,170	206,000,000	209,000,000
Proceeds from sale of equipment	3,802		
Adjustment of prior year transactions	29,582		
Net working capital transferred from other programs	16,998		
Decrease in selected working capital	361,095	63,879	100,000
Total receipts from operations	188,200,647	206,063,879	209,100,000
Budget expenditures	−783,548	−63,879	−100,000

Revenue, Expense, and Retained Earnings

Revenue	$187,710,023	$206,000,000	$209,000,000
Expense	187,454,337	206,000,000	209,000,000
Net operating income	255,686		
Nonoperating income on loss (−):			
Proceeds from sale of equipment	3,802		
Net book value of assets sold (−)	−11,936		
Net loss (−) from sale of equipment	−8,134		
Other nonoperating income or expense	96,680		
Net nonoperating income	88,546		
Net income for year	344,232		
Analysis of retained earnings:			
Retained earnings or deficit (−), beginning of year	−142,501	232,419	
Payment of earnings to Treasury (−)		−232,419	
Adjustment of prior year transactions:			
Affecting expense	57,116		
Affecting revenue	−27,534		
Not affecting working capital	1,106		
Retained earnings, end of year	232,419		

Financial Condition

Assets:			
Cash with Treasury	$7,235,753	$7,067,213	$7,167,213
Accounts receivable, net	12,998,048	14,000,000	14,500,000
Advances	25,649	25,000	25,000
Work in process	2,787,102	2,800,000	2,800,000
Inventories, supplies, and materials	2,513,321	2,500,000	2,500,000
Deferred charges	59,887	50,000	50,000
Equipment, net	1,598,535	1,598,535	1,598,535
Total assets	27,218,295	28,040,748	28,640,748
Liabilities:			
Current	19,045,128	20,100,000	20,700,000
Government investment:			
Non-interest-bearing capital:			
Start of year	8,100,891	7,940,748	7,940,748
Adjustment of donated capital	−160,143		
End of year	7,940,748	7,940,748	7,940,748
Retained earnings	232,419		
Total Government investment	8,173,167	7,940,748	7,940,748

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$6,452,205	$7,235,753	$7,067,213	$7,167,213
Obligated balance, net:				
Current liabilities	15,358,701	19,045,128	20,100,000	20,700,000
Unpaid undelivered orders	7,708,640	15,260,039	15,600,000	16,000,000
Accepted orders on hand (−)	−12,568,215	−20,711,660	−21,000,000	−21,500,000
Accounts receivable, net and cash in transit (−)	−9,707,778	−12,998,048	−14,000,000	−14,500,000
Total obligated balance	791,348	595,459	700,000	700,000
Unobligated balance	5,660,857	6,640,294	6,367,213	6,467,213

Object Classification

	1957 actual	1958 estimate	1959 estimate
GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	19,719	20,056	20,100
Full-time equivalent of all other positions	605	600	600
Average number of all employees	19,415	20,060	20,260
Number of employees at end of year	19,715	20,300	20,500
Average GS grade and salary	4.1 $4,149	4.1 $4,179	4.1 $4,203
Average salary, ungraded positions	$3,826	$4,027	$4,027
01 Personal services:			
Permanent positions	$74,130,636	$79,455,430	$80,240,400
Positions other than permanent	1,699,029	1,700,000	1,700,000
Other personal services	2,720,837	3,017,570	3,020,600
Total personal services	78,550,502	84,173,000	84,961,000
02 Travel	22,501	20,000	20,000
03 Transportation of things	189,229	200,000	200,000
04 Communication service	11,336,471	11,600,000	12,100,000
05 Rents and utility services	64,685,594	68,100,000	69,500,000
06 Printing and reproduction	104,242	100,000	100,000
07 Other contractual services	20,017,529	23,657,788	24,099,000
Services performed by other agencies	658,189	700,000	700,000
08 Supplies and materials	10,663,584	11,000,000	10,800,000
09 Equipment	304,482	325,000	325,000
11 Grants, subsidies, and contributions		5,100,000	5,300,000
13 Refunds, awards, and indemnities	49,479	50,000	50,000
15 Taxes and assessments	832,016	760,000	745,000
Adjustment of prior year expense	−57,116		
Total, General Services Administration	187,356,702	205,785,788	208,900,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions		5	5
Average number of all employees		4	3
Number of employees at end of year		3	2
Average GS grade and salary		7.6 $5,664	7.8 $5,784
Average salary of ungraded positions		$6,074	$6,070
01 Personal services:			
Permanent positions		$17,700	$9,800
Other personal services		300	200
Total personal services		18,000	10,000
06 Printing and reproduction	$23		
07 Other contractual services	30	10,042	5,350
08 Supplies and materials	735	5,000	2,000
10 Lands and structures		180,000	82,000
11 Grants, subsidies, and contributions		1,170	650
Total, Department of Commerce	788	214,212	100,000
Total costs	187,357,490	206,000,000	209,000,000
Obligations incurred for costs of other years, net	7,569,463	329,002	400,000
Total obligations	194,926,953	206,329,002	209,400,000

Construction Services, Public Buildings

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating expense (total costs)	$1,594,576	$2,120,000	$2,420,000
Relation of costs to obligations: Costs financed from obligations of other years (advances), net (−)	−136		
Total program (obligations)	1,594,440	2,120,000	2,420,000
Financing:			
Amounts becoming available (revenues and receipts): Reimbursable services	1,602,764	2,100,000	2,390,000
Unobligated balance brought forward	129,206	137,530	117,530
Total amounts available	1,731,970	2,237,530	2,507,530
Unobligated balance carried forward	−137,530	−117,530	−87,530
Financing applied to program	1,594,440	2,120,000	2,420,000

Work performed in acquisition of Federal building sites, preparation of drawings and specifications for the construction, remodeling, renovation, repair, and improvement of buildings, and supervision of construction activities are financed through reimbursement from funds

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REAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

CONSTRUCTION SERVICES, PUBLIC BUILDINGS—Continued

appropriated, transferred, or advanced to the General Services Administration (40 U. S. C. 296).

Budget program.—Increase in the service activity of the fund for 1958 and 1959 is to provide for expansion in connection with General Services Administration's lease-purchase and expanded repair and improvement programs and numerous large construction projects assigned to General Services Administration by other Federal agencies.

Relation of costs to obligations.—Year-end balance of advances for 1956 was $136.

Operating results.—Retained earnings will be gradually eliminated by reducing charges to individual projects and programs during 1958, 1959, and subsequent years.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$1,627,045	$2,120,000	$2,420,000
Increase in selected working capital	15,704		
Total gross expenditures	1,642,749	2,120,000	2,420,000
Receipts from operations (funds provided):			
Revenue	1,602,764	2,100,000	2,390,000
Adjustment of prior year expense	32,469		
Decrease in selected working capital		51,558	10,000
Total receipts from operations	1,635,233	2,151,558	2,400,000
Budget expenditures	7,516	−31,558	20,000

Revenue, Expense, and Retained Earnings

Revenue	$1,602,764	$2,100,000	$2,390,000
Expense	1,627,045	2,120,000	2,420,000
Net loss (−) for the year	−24,281	−20,000	−30,000
Analysis of retained earnings:			
Retained earnings, beginning of year	129,342	137,530	117,530
Adjustment of prior year expense	32,469		
Retained earnings, end of year	137,530	117,530	87,530

Financial Condition

Assets:			
Cash with Treasury	$310,972	$342,530	$322,530
Accounts receivable, net	112,076	100,000	125,000
Total assets	423,048	442,530	447,530
Liabilities:			
Current	285,518	325,000	360,000
Government investment:			
Retained earnings	137,530	117,530	87,530

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$318,488	$310,972	$342,530	$322,530
Obligated balance, net:				
Current liabilities	329,269	285,518	325,000	360,000
Accounts receivable, net (−)	−139,987	−112,076	−100,000	−125,000
Total obligated balance	189,282	173,442	225,000	235,000
Unobligated balance	129,206	137,530	117,530	87,530

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	228	240	290
Full-time equivalent of all other positions	6		
Average number of all employees	191	225	265
Number of employees at end of year	204	239	290
Average GS grade and salary	10 $7,267	10.1 $7,145	10.2 $7,178
01 Personal services:			
Permanent positions	$1,387,684	$1,648,698	$1,914,635
Positions other than permanent	20,906		
Other personal services	1,563	6,302	7,365
Excess of leave taken (−) over leave earned	−42,774	−10,000	
Total personal services	1,367,379	1,645,000	1,922,000
02 Travel	6,128	10,000	10,000
03 Transportation of things	1,000	1,000	1,000
04 Communication services	21,298	22,100	22,100
06 Printing and reproduction	10,254	11,000	12,000
07 Other contractual services	8,472	10,000	10,000
Payment to "Administrative operations fund"	203,500	310,000	310,000
Services performed by other agencies	1,380		
08 Supplies and materials	3,083	3,500	3,500
11 Grants, subsidies, and contributions		102,400	124,400
13 Refunds, awards, and indemnities	2,900	3,000	3,000
15 Taxes and assessments	1,651	2,000	2,000
Adjustment of prior-year expense	−32,469		
Total costs	1,594,576	2,120,000	2,420,000
Costs financed from obligations of other years (advances), net (−)	−136		
Total program (obligations)	1,594,440	2,120,000	2,420,000

ADVANCES AND REIMBURSEMENTS, REAL PROPERTY ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Operations by activities:			
1. Operating expenses, Public Buildings Service	$121,272	$100,000	
2. Prior year advances returned	374		
Total obligations	121,646	100,000	
Financing:			
Unobligated balance brought forward	374		
Advances and reimbursements from other accounts	121,272	100,000	
Total financing	121,646	100,000	

Object Classification

Total number of permanent positions	14	13	
Average number of all employees	12	13	
Number of employees at end of year	13	13	
Average GS grade and salary	14.0 $11,180		
Average salary of ungraded positions	$4,568	$4,753	
01 Personal services:			
Permanent positions	$60,061	$61,763	
Other personal services		237	
Total personal services	60,061	62,000	
02 Travel	799	1,000	
04 Communication services	27	200	
05 Rents and utility services	1,672	2,500	
07 Other contractual services	50,074	20,500	
08 Supplies and materials	8,639	10,000	
11 Grants, subsidies, and contributions		3,800	
13 Refunds, awards, and indemnities	374		
Total obligations	121,646	100,000	

Proposed for later transmission:

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Buildings management (total obligations)		$3,150,000	
Financing:			
Proposed supplemental appropriation		3,150,000	

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Under existing legislation, 1958.—It is anticipated that an additional $3,150,000 will be required to annualize increases in wage-board rates effected during 1957 and for such increases effected during 1958. The total cost is estimated at $3,900,000 of which $750,000 is to be absorbed by holding down the level of buildings management services.

PERSONAL PROPERTY ACTIVITIES

Current authorizations:

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

[Operating expenses, Federal Supply Service:] For necessary expenses of personal property management and related activities as [provided] *authorized* by law *and not otherwise provided for*; including not to exceed $300 for the purchase of newspapers and periodicals; and not to exceed [$170,000] *$85,700* for expenses of travel; [$3,360,000] *$3,615,000: Provided,* That not to exceed [$1,600,000] *$1,865,000* of any funds received during the current or preceding fiscal year for deposit under section 204 (a) of the Federal Property and Administrative Services Act of 1949, as amended, and not otherwise disposed of by law, shall be deposited to the credit of this appropriation and shall be available for necessary expenses in carrying out the functions of the General Services Administration under the said Act, with respect to the utilization and disposal of excess and surplus personal property, *including not to exceed $145,000 for expenses of travel.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$4,960,000** Estimate 1959, [a] **$5,480,000**
Appropriated (adjusted) 1958, **$5,027,000**

[a] Includes $19,600 for activities previously carried under "Salaries and expenses, Office of Administrator." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Utilization and sales	$1,114,192	$1,600,000	$1,700,000
2. Supply standards	382,468	401,100	401,100
3. Federal catalog participation	425,760	530,900	530,900
4. Motor-vehicle management	180,343	194,500	194,500
5. Supply contracting	753,298	771,000	771,000
6. Supply management	197,657	331,000	431,000
7. Service direction	441,953	515,500	525,500
8. Administrative operations	620,191	702,600	926,000
Total obligations	4,115,862	5,046,600	5,480,000
Financing:			
Comparative transfers from (−) other accounts	−76,591	−19,600	
Unobligated balance no longer available	140,729		
New obligational authority	4,180,000	5,027,000	5,480,000
New obligational authority:			
Appropriation:			
Definite	$2,884,400	$3,360,000	$3,615,000
Indefinite	1,295,600	1,600,000	1,865,000
Transferred from "Operating expenses, Public Buildings Service" (71 Stat. 232)		67,000	
Appropriation (adjusted)	4,180,000	5,027,000	5,480,000

This appropriation provides for establishment of efficient personal property management practices throughout the Federal Government.

1. *Utilization and sales.*—Excess usable personal property is reported to General Services Administration for screening against needs of other agencies to achieve maximum utilization by transfers and obviate new purchases. The residue, together with surpluses not screened by General Services Administration, is either donated for educational, public health, or civilian defense purposes or released for public sale. Utilization transfers of $95 million in 1956 and $83.2 million in 1957, are expected to increase to $109 million in 1958, and $122 million in 1959. Assistance furnished the Air Force in the sales of $286.4 million of surplus in 1957, to increase sales returns is expected to increase to $460 million in 1958, and $495 million in 1959. Expense of these operations is provided from proceeds of sales of surplus personal property.

2. *Supply standards.*—Standards of quality and other characteristics of common-use commodities are established by specifications and qualified products lists for mandatory use by Government agencies.

3. *Federal catalog participation.*—Uniform catalog identification for each item in the civilian agencies' supply operations is provided and coordination maintained with Department of Defense in development of a single Federal catalog system. During 1958 the identification of some 138,000 items procured by other agencies through General Services Administration facilities will be completed. Funds provided for 1959 are to start cataloging some 762,000 other items procured directly by civilian agencies.

4. *Motor vehicle management.*—Governmentwide policies and procedures are developed for improving utilization of motor equipment. Interagency motor equipment pools are established where surveys at locations of high vehicle density demonstrate economies or improved efficiency will result. Progress of the pool program is as follows:

	Surveys started	*Surveys completed*	*Pools established*
1956 (cumulative)	22	14	12
1957	15	15	10
1958	20	22	18
1959	16	19	16
Total	73	70	56

5. *Supply contracting.*—Term contracts for common-use commodities and services are established for large aggregate volume requirements against which agencies place individual orders at uniform price advantages.

6. *Supply management.*—Policies and procedures for improving supply management in Government agencies are developed and their installation coordinated through continuous on-site assistance and by special surveys as required. The increase for 1959 will provide for increased on-site assistance from 6 to 12 groups of major agencies, and increased emphasis on agencywide supply surveys.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	538	558	575
	Full-time equivalent of all other positions	6	3	2
	Average number of all employees	462	532	546
	Number of employees at end of year	501	540	570
	Average GS grade and salary	7.8 $5,873	8.0 $6,040	8.2 $6,190
01	Personal services:			
	Permanent positions	$2,723,401	$3,223,900	$3,376,700
	Positions other than permanent	32,541	27,300	23,900
	Other personal services	25,097	12,600	13,200
	Total personal services	2,781,039	3,263,800	3,413,800
02	Travel	117,933	170,000	230,700
03	Transportation of things	5,222	3,800	3,800
04	Communication services	128,854	132,600	140,900
05	Rents and utility services	1,382	23,500	25,000
06	Printing and reproduction	282,086	330,300	319,500
07	Other contractual services	13,172	39,800	46,000
	Payment to "Administrative operations fund"	620,191	702,600	926,000
	Services performed by other agencies	88,216	120,000	99,800
08	Supplies and materials	35,153	37,400	37,200
09	Equipment	31,109	11,900	8,900
11	Grants, subsidies, and contributions		204,000	221,600
13	Refunds, awards, and indemnities	8,506	4,500	4,400
15	Taxes and assessments	2,999	2,400	2,400
	Total obligations	4,115,862	5,046,600	5,480,000

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PERSONAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

EXPENSES, SUPPLY DISTRIBUTION

[Expenses, supply distribution:] For expenses, not otherwise provided, necessary for operation of the stores depot system and other procurement services, including contractual services incident to receiving, handling, and shipping warehouse items; not to exceed $250 for purchase of newspapers and periodicals; and not to exceed [$117,000] *$150,000* for expenses of travel; [$17,765,000] *$19,500,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$17,765,000** Estimate 1959, **$19,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Stores activities:			
Stores operations	$5,587,002	$6,515,764	$6,974,700
Space and related costs	2,513,664	2,971,559	3,498,300
2. Buying operations	3,117,462	3,759,888	3,934,300
3. Inspection operations	798,409	1,046,323	1,239,500
4. Administrative operations	3,013,376	3,449,000	3,825,000
Total costs	15,029,913	17,742,534	19,471,800
5. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−2,950		
Obligations incurred for costs of other years (unpaid undelivered orders), net		22,466	28,200
Total program (obligations)	15,026,963	17,765,000	19,500,000
Financing:			
Unobligated balance no longer available	43,037		
Appropriation (new obligational authority)	15,070,000	17,765,000	19,500,000

This appropriation provides for expenses of operating the nationwide supply system whereby common-use commodities and services are sold to Government agencies from stocks of 12 supply depots or by direct delivery from suppliers, whichever is more economical. Cost of commodities and services is initially financed from the general supply fund, subject to reimbursement by ordering agencies. Total sales for 1959 are programed at $292.6 million, as compared with $256.7 million programed for 1958, and $225.1 million for 1957. The progressive increases in the sales reflect progress toward centralizing the procurement and distribution of common-use supply items in the General Services Administration. The appropriation request for 1959 provides for increased cost of operations and staff support for $35.9 million increase in sales.

1. *Stores operations.*—Stocks of common-use commodities are received, warehoused, and sold at cost to Federal agencies through a nationwide system of supply depots. Continuous increase in stores sales is shown in the following figures: 1954, $52.8 million; 1955, $75.9 million; 1956, $96.4 million; 1957, $116.4 million; 1958, $130.2 million; and 1959, $139.4 million.

2. *Buying operations.*—Commodities are procured (*a*) to maintain inventories at stores depots to insure availability in advance of sales orders, and (*b*) for direct delivery to agencies.

3. *Inspection operations.*—Delivery of commodities of specified standards is assured by inspection at contractors' plants or supply depots and by laboratory tests and analyses of samples prior to acceptance. The increase for 1959 will keep inspections in line with the buying program of activity 2.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1956, $128,604; 1957, $125,654; 1958, $148,100; and 1959, $176,300.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,723	1,911	2,072
Full-time equivalent of all other positions	99	58	57
Average number of all employees	1,571	1,802	1,933
Number of employees at end of year	1,643	1,873	1,950
Average GS grade and salary	5.8 $4,736	6.0 $4,903	6.0 $4,955
Average salary of ungraded positions	$3,958	$4,222	$4,188
01 Personal services:			
Permanent positions	$6,575,369	$8,125,100	$8,768,500
Positions other than permanent	433,342	264,500	260,500
Other personal services	366,386	34,100	37,100
Total personal services	7,375,097	8,423,700	9,066,100
02 Travel	104,780	117,000	150,000
03 Transportation of things	329,500	434,000	433,000
04 Communication services	250,613	267,000	272,000
05 Rents and utility services	2,075,893	2,359,400	2,538,400
06 Printing and reproduction	312,657	350,500	370,200
07 Other contractual services	1,199,767	1,424,100	1,829,500
Payment to "Administrative operations fund"	2,990,000	3,449,000	3,825,000
Services performed by other agencies	85,293	87,000	90,000
08 Supplies and materials	232,663	269,300	283,000
09 Equipment	29,846	30,700	28,900
11 Grants, subsidies, and contributions		509,100	569,900
13 Refunds, awards, and indemnities	30,659	33,000	33,000
15 Taxes and assessments	10,195	11,200	11,000
Total obligations	15,026,963	17,765,000	19,500,000

Intragovernmental funds:

GENERAL SUPPLY FUND

[General supply fund:] To increase the general supply fund established by the Federal Property and Administrative Services Act of 1949, as amended (5 U. S. C. 630g), [$12,500,000] *$15,000,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$12,500,000** Estimate 1959, **$15,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Stores program:			
Cost of goods sold	$128,247,538	$147,200,000	$163,400,000
Other expense	306,774		
2. Nonstores program: Cost of goods sold	70,141,240	82,800,000	102,500,000
3. Motor pools, shops, and equipment rentals programs	4,479,804	7,500,000	10,000,000
4. Undistributed:			
Gain (−) on equipment disposals	−144,055		
Adjustment of prior year costs	387,977		
Total operating costs	203,419,278	237,500,000	275,900,000
Depreciation included above (−)	−983,457	−1,712,870	−2,602,000
Adjustment of costs included above, not requiring funding	144,055		
Total operating costs, funded	202,579,876	235,787,130	273,298,000
Capital outlay:			
1. Stores program: Acquisition of materials handling and laboratory equipment	281,523	600,000	700,000
3. Motor pools, shops, and equipment rentals programs:			
Acquisition of motor vehicles, etc	4,758,067	7,971,000	9,603,000
Property transferred in without charge (−)	−1,901,867	−1,906,000	−1,838,000
Purchase of equipment	2,856,200	6,065,000	7,765,000
Total capital outlay, funded	3,137,723	6,665,000	8,465,000
Total program costs, funded	205,717,599	242,452,130	281,763,000
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	4,911,136	9,528,747	7,200,000
Total program (obligations)	210,628,735	251,980,877	288,963,000
Financing:			
Amounts becoming available:			
Appropriation	18,000,000	12,500,000	15,000,000
Revenue and receipts:			
Sale of goods	198,827,449	230,000,000	265,900,000
Sales of services	4,607,982	7,500,000	10,000,000
Increase in accepted orders on hand	1,149,065	3,129,776	1,000,000
Sale of equipment	337,504	571,000	721,000
Other revenue	1,064,148	1,200,000	1,400,000
Total amounts becoming available	223,986,148	254,900,776	294,021,000
Unobligated balance brought forward	−190,412	11,651,991	13,491,589
Total amounts available	223,795,736	266,552,767	307,512,589
Capital transfer (payment of earnings to Treasury) (−)	−1,515,010	−1,080,301	−1,200,000
Unobligated balance carried forward	−11,651,991	−13,491,589	−17,349,589
Financing applied to program	210,628,735	251,980,877	288,963,000

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This fund finances, on a reimbursable basis, a national supply depot system and a system of ordering supplies for direct delivery to agencies. Supplies or services are sold from the fund at cost to other agencies and the District of Columbia. Expenses for operating the fund for these purposes are provided for under the appropriation "Expenses, supply distribution" (5 U. S. C. 630g).

Also financed by the fund and reimbursed by the using agencies are operations of interagency motor equipment pools established in areas of high vehicle density.

Budget program.—The estimate for 1959 provides for continued expansion in sales of both stores items and nonstores items to the military establishments under the Administration's program for progressively expanding use of these supply facilities by Department of Defense. Activation of additional interagency motor equipment pools programed for 1959 is expected to produce substantial increase in sales of services, eliminate some 500 vehicles from agencies' fleets, and increase average miles per vehicle year.

1. *Stores program.*—Stocks of common-use commodities are purchased in volume, stored in supply depots, and issued on the basis of need to Government agencies. Sales reached an all-time high of $128.2 million in 1957 and are estimated to increase to $147.2 million in 1958 and $163.4 million in 1959. An increasing portion of larger volume orders are being shipped direct from suppliers to customer agencies to reduce handling costs.

2. *Nonstores program.*—Definite quantity requirements of commodities which are not susceptible to economical stocking in the supply depots are purchased for direct shipment to customer agencies. Sales are expected to increase from $70.1 million in 1957 to $82.8 million in 1958 and $102.5 million in 1959, as additional commodities are supplied through this method.

3. *Motor pools, shops and equipment rentals programs.*—Motor vehicle services are supplied to Government agencies through a system of interagency motor pools still under development to serve areas of high vehicle density; furniture and equipment repair services are provided, through commercial sources wherever feasible and economical; and operating equipment necessary to carry out the fund's activities are acquired and expensed on an accrual basis to the using activities. Combined sales, largely due to motor pools, are expected to increase from $4.5 million in 1957 to $7.5 million in 1958 and $10 million in 1959.

4. *Undistributed.*—Gains or losses arising from equipment disposals, adjustments between fiscal years, or inventory writeoffs are reflected. During 1957 a profit of $0.14 million was made on equipment disposals and adjustments of $0.39 million were made to prior year transactions.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$4,090	$61,442		
Inventories for sales	30,214,290	37,259,578	$45,000,000	$51,400,000
Deferred charges	2,945	2,603		
Unpaid undelivered orders	42,138,792	39,947,630	41,800,000	42,600,000
Total selected resources at end of year	72,360,117	77,271,253	86,800,000	94,000,000
Selected resources at start of year (−)	−72,360,117	−77,271,253	−86,800,000	
Obligations incurred for costs of other years, net	4,911,136	9,528,747	7,200,000	

The 1959 increase of $7.2 million in selected resources represents inventories held for future sale and undelivered orders for stock replenishment and direct delivery.

Operating results and financial condition.—Current investment of the U. S. Government in the fund is $78.9 million, of which $74.5 million represents direct appropriations, $3.3 million donated assets, and retained earnings of $1.1 million. Continued expansion in sales and improvement of service to customer agencies as programed for 1959 will require a further increase of $15 million in capital which is provided for in this estimate.

Additional donated assets arising from transfers of motor vehicles from other agencies upon establishment of interagency motor equipment pools will be capitalized in the fund.

Retained earnings, as determined by General Accounting Office audit, must be paid to Treasury as miscellaneous receipts. Payments made in 1958 amount to $1,080,301.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Stores program:			
Acquisition of equipment	$281,523	$600,000	$700,000
Purchase of commodities for sale	135,599,600	154,940,422	169,800,000
Nonstores program: Purchase of commodities for sale	70,141,240	82,800,000	102,500,000
Motor pools, shops, and equipment rental program:			
Acquisition of equipment	2,852,383	6,065,000	7,765,000
Acquisition of leasehold improvements	3,817		
Other expense	3,496,347	5,787,130	7,398,000
Undistributed:			
Other expense	15,239		
Adjustment of prior year transactions, net	340,704		
Increase in selected working capital	536,376	1,504,849	5,100,000
Total gross expenditures	213,267,229	251,697,401	293,263,000
Receipts from operations (funds provided):			
Stores program: Revenue	128,684,096	147,200,000	163,400,000
Nonstores program: Revenue	70,143,353	82,800,000	102,500,000
Motor pools, shops, and equipment rentals program: Revenue	4,607,982	7,500,000	10,000,000
Undistributed receipts:			
Proceeds from sale of equipment	337,504	571,000	721,000
Other	1,032,114	1,200,000	1,400,000
Total receipts from operations	204,805,049	239,271,000	278,021,000
Budget expenditures	8,462,180	12,426,401	15,242,000

Revenue, Expense, and Retained Earnings

Stores program:			
Revenue	$128,684,096	$147,200,000	$163,400,000
Expense	128,554,312	147,200,000	163,400,000
Net operating income, stores program	129,784		
Nonstores program:			
Revenue	70,143,353	82,800,000	102,500,000
Expense	70,141,240	82,800,000	102,500,000
Net operating income, direct deliveries program	2,113		
Motor pools, shops, and equipment rentals program:			
Revenue	4,607,982	7,500,000	10,000,000
Expense	4,479,804	7,500,000	10,000,000
Net operating income, services program	128,178		
Undistributed:			
Revenue	1,032,114	1,200,000	1,400,000
Expense	15,239		
Net operating income, undistributed	1,016,875	1,200,000	1,400,000
Nonoperating income:			
Proceeds from sale of equipment	337,504	571,000	721,000
Net book value of assets sold (−)	−311,717	−571,000	−721,000
Net gain from sale of equipment	25,787		
Equipment adjustments	−16,068		
Equipment transferred from other sources	145,424		
Net nonoperating income	155,143		
Net income for the year	1,432,093	1,200,000	1,400,000

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PERSONAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

General Supply Fund—Continued

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$1,515,010	$1,080,301	$1,200,000
Payment of earnings to Treasury (—)	—1,515,010	—1,080,301	—1,200,000
Adjustment or prior year transactions:			
Affecting revenue	47,273		
Affecting expense	—387,977		
Not affecting working capital	—11,088		
Retained earnings, end of year	1,080,301	1,200,000	1,400,000

Financial Condition

Assets:			
Cash with Treasury	$14,698,291	$13,691,589	$12,249,589
Accounts receivable, net	35,163,681	39,100,000	45,400,000
Advances	61,442		
Inventories for sale	37,259,578	45,000,000	51,400,000
Deferred charges	2,603		
Leasehold improvements	3,817	3,817	3,817
Equipment, net	7,312,870	13,600,000	20,580,000
Total assets	94,502,282	111,395,406	129,633,406
Liabilities:			
Current	28,132,575	30,500,000	31,700,000
Government investment:			
Non-interest-bearing capital:			
Start of year	45,387,539	65,289,406	79,695,406
Appropriation during year	18,000,000	12,500,000	15,000,000
Donations during year	1,901,867	1,906,000	1,838,000
End of year	65,289,406	79,695,406	96,533,406
Retained earnings	1,080,301	1,200,000	1,400,000
Total Government investment	66,369,707	80,895,406	97,933,406

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$6,675,481	$14,698,291	$13,691,589	$12,249,589
Obligated balance, net:				
Current liabilities	19,844,776	28,132,575	30,500,000	31,700,000
Unpaid undelivered orders	42,138,792	39,947,630	41,800,000	42,600,000
Accepted orders on hand	—28,721,159	—29,870,224	—33,000,000	—34,000,000
Accounts receivable, net	—26,396,516	—35,163,681	—39,100,000	—45,400,000
Total obligated balance	6,865,893	3,046,300	200,000	—5,100,000
Unobligated balance	—190,412	11,651,991	13,491,589	17,349,589

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	342	479	600
Full-time equivalent of all other positions	9		
Average number of all employees	267	397	538
Number of employees at end of year	284	422	550
Average GS grade and salary	5.6 $4,504	6.0 $4,534	6.0 $4,527
Average salary of ungraded positions	$4,563	$4,710	$4,746
Direct costs:			
09 Equipment	$3,137,723	$6,665,000	$8,465,000
Reimbursable costs:			
01 Personal services:			
Permanent positions	1,171,141	1,840,500	2,497,400
Positions other than permanent	39,665		
Other personal services	37,333	8,500	10,700
Excess of annual leave earned over leave taken	3,826	5,400	7,900
Total personal services	1,251,965	1,854,400	2,516,000
02 Travel	23,452	42,500	50,600
03 Transportation of things	14,015	35,000	36,900
04 Communication services	15,041	32,000	34,300
05 Rents and utility services	80,111	166,600	203,000
06 Printing and reproduction	3,574	17,000	20,500

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Reimbursable costs—Continued			
07 Other contractual services	$697,143	$836,530	$974,900
Payment to "Administrative operations fund"	91,000	166,600	166,600
Services performed by other agencies	101,990	205,000	255,700
08 Supplies and materials	1,212,407	2,303,600	2,971,300
Materials supplied to other agencies	199,083,529	230,000,000	265,900,000
11 Grants, subsidies, and contributions		115,900	153,600
13 Refunds, awards, and indemnities	3,705	8,000	9,700
15 Taxes and assessments	1,944	4,000	4,900
Total reimbursable costs	202,579,876	235,787,130	273,298,000
Total accrued costs	205,717,599	242,452,130	281,763,000
Obligations incurred for costs of other years, net	4,911,136	9,528,747	7,200,000
Total obligations	210,628,735	251,980,877	288,963,000

Administrative Expenses, Foreign Aid Procurements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Administrative expense (total costs)	$1,325,397	$1,322,000	$1,320,000
Capital outlay: Purchase of equipment [1]	1,655	3,000	5,000
Total program costs	1,327,052	1,325,000	1,325,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—3,658	
Obligations incurred for costs of other years, net	3,145		
Total program (obligations)	1,330,197	1,321,342	1,325,000
Financing:			
Amounts becoming available: Revenue and receipts: Surcharge revenue	1,157,452	1,325,000	1,350,000
Unobligated balance brought forward	643,434	470,689	474,347
Total amounts available	1,800,886	1,795,689	1,824,347
Unobligated balance carried forward	—470,689	—474,347	—499,347
Financing applied to program	1,330,197	1,321,342	1,325,000

[1] Excludes equipment transferred to other General Services Administration general accounts without charge as follows: 1957, $1,655; 1958, $3,000; 1959, $5,000.

This fund was established to account for expenses incurred rendering foreign aid procurement services to the International Cooperation Administration (22 U. S. C. 1782). Earnings credited to this fund are derived from mutually agreed upon advances based on program workload received.

Budget program.—Program workload arises from purchase authorizations received from the International Cooperation Administration. Services under this account are programed in 1959 at the 1958 level.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$9	$175		
Unpaid undelivered orders	504	3,483		
Total selected resources at end of year	513	3,658		
Selected resources at start of year (—)		—513	—$3,658	
Costs financed from obligations of other years, net (—)			—3,658	
Obligations incurred for costs of other years, net		3,145		

Operating results.—Net earnings are retained to insure financing of operating costs notwithstanding fluctuations in operating revenue.

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,655	$3,000	$5,000
Expense	1,287,784	1,322,000	1,320,000
Adjustment of prior year expense	37,613		
Increase in selected working capital		170,164	2,100
Total gross budget expenditures	1,327,052	1,495,164	1,327,100
Receipts from operations (funds provided):			
Revenue	1,157,452	1,325,000	1,350,000
Decrease in selected working capital	182,022		
Total receipts from operations	1,339,474	1,325,000	1,350,000
Budget expenditures	−12,422	170,164	−22,900

Revenue, Expense, and Retained Earnings

Revenue	$1,157,452	$1,325,000	$1,350,000
Expense	1,287,784	1,322,000	1,320,000
Net operating income or loss (−)	−130,332	3,000	30,000
Nonoperating loss (−): Equipment transferred out without charge	−1,655	−3,000	−5,000
Net income or loss (−) for year	−131,987		25,000
Analysis of retained earnings:			
Retained earnings, beginning of year	643,947	474,347	474,347
Adjustment of prior year expense	−37,613		
Retained earnings, end of year	474,347	474,347	499,347

Financial Condition

Assets:			
Cash with Treasury	$606,711	$436,547	$459,447
Accounts receivable, net	44,022	110,400	112,500
Advances	175		
Total assets	650,908	546,947	571,947
Liabilities:			
Current	176,561	72,600	72,600
Government investment:			
Retained earnings	474,347	474,347	499,347

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$594,289	$606,711	$436,547	$459,447
Obligated balances, net:				
Current liabilities	71,556	176,561	72,600	72,600
Unpaid undelivered orders	504	3,483		
Accounts receivable, net and cash in transit (−)	−121,205	−44,022	−110,400	−112,500
Total obligated balance	−49,145	136,022	−37,800	−39,900
Unobligated balance	643,434	470,689	474,347	499,347

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	206	200	178
Full time equivalent of all other positions	1		
Average number of all employees	177	162	161
Number of employees at end of year	186	175	170
Average GS grade and salary	6.7 $5,106	6.8 $5,200	6.7 $5,092
Average salary of local employees, foreign areas	$1,658	$1,748	
01 Personal services:			
Permanent positions	$868,398	$830,900	$820,800
Positions other than permanent	3,855		
Other personal services	56,121	10,800	3,500
Excess of annual leave earned over leave taken	844		700
Excess of annual leave taken (−) over leave earned		−19,500	
Total personal services	929,218	822,200	825,000
02 Travel	44,248	50,000	45,000
03 Transportation of things	6,171	21,000	7,000
04 Communication services	21,002	21,000	21,400
05 Rents and utility services	15,656	2,600	
06 Printing and reproduction	34,044	34,000	35,000
07 Other contractual services	$20,929	$21,000	$25,000
Payment to "Administrative operations fund"	182,000	286,000	286,000
Services performed by other agencies	27,510	11,400	15,000
08 Supplies and materials	5,106	5,200	6,000
09 Equipment	1,655	3,000	5,000
11 Grants, subsidies, and contributions		47,000	53,600
13 Refunds, awards, and indemnities	1,650	300	500
15 Taxes and assessments	250	300	500
Adjustment of prior year expense	37,613		
Total costs	1,327,052	1,325,000	1,325,000
Costs financed from obligations of other years, net (−)		−3,658	
Obligations incurred for costs of other years, net	3,145		
Total obligations	1,330,197	1,321,342	1,325,000

Advances and Reimbursements, Personal Property Activities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Civil defense planning	$1,601,964	$1,817,100	$1,987,000
2. Acquisition of materials	219,073	160,183	
3. Operating expenses, Federal Supply Service	38,176	10,000	10,000
4. Expenses, supply distribution	307,102	500,000	500,000
Total obligations	2,166,315	2,487,283	2,497,000
Financing:			
Unobligated balance brought forward	79,256	160,183	
Advances and reimbursements from other accounts	2,276,204	2,327,100	2,497,000
Unobligated balance carried forward	−160,183		
Unobligated balance no longer available	−28,962		
Total financing	2,166,315	2,487,283	2,497,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	212	249	265
Full-time equivalent of all other positions	16	5	5
Average number of all employees	188	227	237
Number of employees at end of year	244	283	300
Average GS grade and salary	4.3 $3,961	4.4 $4,000	4.4 $4,038
Average salary of ungraded positions	$3,898	$3,975	$4,020
01 Personal services:			
Permanent positions	$678,419	$887,100	$934,500
Positions other than permanent	61,364	20,000	20,000
Other personal services	42,241	43,500	43,800
Total personal services	782,024	950,600	998,300
02 Travel	14,290	16,000	16,800
03 Transportation of things	47,842	35,900	34,400
04 Communication services	11,828	14,400	15,400
05 Rents and utility services	699,695	740,000	830,000
06 Printing and reproduction	4,105	14,000	14,100
07 Other contractual services	77,209	268,900	270,000
Payment to "Administrative operations fund"	30,500	64,000	64,000
Services performed by other agencies	22,127	21,800	21,800
08 Supplies and materials	169,938	255,383	103,100
09 Equipment	290,305	31,300	50,000
10 Lands and structures	10,219	1,800	
11 Grants, subsidies, and contributions		59,490	64,900
13 Refunds, awards, and indemnities	1,304	200	200
15 Taxes and assessments	4,959	13,600	14,000
Total obligations	2,166,315	2,487,283	2,497,000

RECORDS ACTIVITIES

Current authorizations:

Operating Expenses, National Archives and Records Service

[Operating expenses, National Archives and Records Service:] For necessary expenses in connection with Federal records management and related activities as provided by law; and not to exceed [$48,400] *$59,000* for expenses of travel; [$7,263,000] *$7,650,000*. (*Independent Offices Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958,[a] **$7,293,000** Estimate 1959,[b] **$7,650,000**

[a] Includes $30,000 appropriated in Supplemental Appropriation Act, 1958.

[b] Includes $93,600 for activities previously carried under appropriations as follows: "Operating expenses, Public Buildings Service," $90,000: and "Salaries and expenses, Office of Administrator," $3,600. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

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RECORDS ACTIVITIES—Continued

Current authorizations—Continued

Operating Expenses, National Archives and Records Service—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Records management	$428,534	$525,800	$532,000
2. Records centers	4,041,127	4,140,000	4,290,000
3. Archives and related services	1,782,250	2,025,800	2,114,000
4. Nitrate film conversion	39,851		
5. Service direction	266,698	295,400	296,000
6. Administrative operations	381,773	399,600	418,000
Total obligations	6,940,233	7,386,600	7,650,000
Financing:			
Comparative transfers from (−) other accounts	−13,123	−93,600	
Unobligated balance brought forward	−40,596	−745	
Unobligated balance carried forward	745		
Unobligated balance no longer available	6,391	745	
Appropriation (new obligational authority)	6,893,650	7,293,000	7,650,000

This appropriation provides for management of the Government's archives and records, including custody and administration of permanent records in the National Archives and other noncurrent records in Federal records centers, assistance to records management programs of Government agencies, operation of presidential libraries, and filing and publication of Federal laws and regulations.

1. *Records management.*—Good records management practices in all Federal agencies are promoted. Nationwide guidance in records creation, maintenance, and disposal is provided. Standards and procedures are issued and necessary technical advice, training, and assistance is furnished.

2. *Records centers.*—Records of Federal agencies which must be retained for a period of time, but are not needed for frequent reference, are brought into and administered in 10 regional records centers and 4 annexes until disposal can be effected. A national center at St. Louis administers records of former civilian employees of the Government and a locator file for currently employed personnel. The increase in 1959 is mainly to provide for increased workload shown in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Records administered (millions of cubic feet)	3.5	3.9	4.1	4.4
Reference services, number (millions)	1.2	1.7	1.8	1.9

3. *Archives and related services.*—The permanently valuable records of the Government are selected, arranged, cataloged, preserved, and serviced in the Archives of the United States. Related services consist of (*a*) publication of the Federal Register, Code of Federal Regulations, United States Government Organization Manual, the slip laws, and the United States Statutes at Large, (*b*) preservation and servicing of historical materials in the Franklin D. Roosevelt and Harry S. Truman Libraries, and (*c*) servicing the National Historical Publications Commission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,026	1,054	1,076
Full-time equivalent of all other positions	13		
Average number of all employees	961	1,020	1,042
Number of employees at end of year	988	1,031	1,055
Average GS grade and salary	6.0 $4,879	6.0 $4,938	6.0 $4,968
Average salary of ungraded positions	$3,953	$4,156	$4,205

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$4,587,207	$4,959,050	$5,089,300
Positions other than permanent	41,802		
Other personal services	57,753	24,600	19,800
Total personal services	4,686,762	4,983,650	5,109,100
02 Travel	39,520	48,400	59,000
03 Transportation of things	36,816	29,850	31,000
04 Communication services	82,809	84,900	85,000
05 Rents and utility services	739,368	751,400	751,400
06 Printing and reproduction	63,238	67,100	66,000
07 Other contractual services	454,572	449,400	514,200
Payment to "Administrative operations fund"	381,773	399,600	418,000
Services performed by other agencies	16,247	16,000	16,000
08 Supplies and materials	188,543	123,800	138,400
09 Equipment	46,832	11,800	18,000
10 Lands and structures	186,449	100,000	100,000
11 Grants, subsidies, and contributions		309,100	331,700
13 Refunds, awards, and indemnities	15,653	9,800	10,400
15 Taxes and assessments	1,651	1,800	1,800
Total obligations	6,940,233	7,386,600	7,650,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, RECORDS ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating expenses, National Archives and Records Service (total obligations)	$38,573	$35,000	$35,000
Financing:			
Advances and reimbursements from other accounts	38,573	35,000	35,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3	3	3
Full-time equivalent of all other positions	2		
Average number of all employees	4	3	3
Number of employees at end of year	3	3	3
Average GS grade and salary	4.3 $3,625	4.2 $3,727	4.3 $3,828
01 Personal services:			
Permanent positions	$10,155	$10,460	$10,460
Positions other than permanent	6,274		
Other personal services		40	40
Total personal services	16,429	10,500	10,500
02 Travel	361		
06 Printing and reproduction	139		
07 Other contractual services	71		
08 Supplies and materials	21,573	23,850	23,850
11 Grants, subsidies, and contributions		650	650
Total obligations	38,573	35,000	35,000

TRANSPORTATION AND UTILITIES ACTIVITIES

Current authorizations:

Operating Expenses, Transportation and Public Utilities Service

[Operating expenses, Transportation and Public Utilities Service:] For necessary expenses of transportation and public utilities management and related activities, as provided by law, including not to exceed [$27,500] *$70,500* for expenses of travel; [$1,515,000] *and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $100 per diem for individuals; $2,000,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$1,515,000** Estimate 1959, [a] **$2,000,000**
Appropriated (adjusted) 1958, **$1,565,000**

[a] Includes $1,700 for activities previously carried under "Salaries and expenses, Office of Administrator." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Transportation services	$909,026	$1,157,700	$1,318,400
2. Public utilities management	60,886	80,500	100,800
3. SAGE program participation			170,000
4. Service direction	66,561	112,800	113,800
5. Administrative operations	203,586	215,700	297,000
Total obligations	1,240,059	1,566,700	2,000,000
Financing:			
Comparative transfers from (−) other accounts	−6,586	−1,700	
Unobligated balance no longer available	17,627		
New obligational authority	1,251,100	1,565,000	2,000,000
New obligational authority:			
Appropriation	$1,251,100	$1,515,000	$2,000,000
Transferred from—			
"Operating expenses, Public Buildings Service" (71 Stat. 232)		30,000	
"Construction and rehabilitation", Bureau of Reclamation, Department of the Interior (5 U. S. C. 630e)		20,000	
Appropriation (adjusted)	1,251,100	1,565,000	2,000,000

This appropriation provides for improving management of transportation and public utilities in civilian agencies, protecting the Government's interests in cases before regulatory bodies, and furnishing services to civilian agencies in these specialized fields.

1. *Transportation services.*—Plans and procedures for improving transportation practices of civilian agencies are developed; reasonable rates are negotiated with carriers; interests of the Government in cases before regulatory bodies are protected; and rates, routing, and related services are supplied to civilian agencies. The increase for 1959 will allow more adequate participation in rate negotiations and litigation, and some improvement in services to civilian agencies.

2. *Public utilities management.*—As a central management function for all agencies, equipment utilization, rate, and economic studies are made, contracts negotiated, and the Government's interests protected by participation in rate negotiations and litigations.

3. *SAGE program participation.*—Representation is provided in rate proceedings involving communications common carriers relating to the semiautomatic ground environment system (SAGE) for early defense warning, under section 303 of Public Law 968, approved August 3, 1956.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	170	190	232
Full-time equivalent of all other positions	2	2	3
Average number of all employees	148	184	216
Number of employees at end of year	175	186	223
Average GS grade and salary	8.5 $6,191	8.3 $6,137	8.5 $6,243
01 Personal services:			
Permanent positions	$893,002	$1,114,800	$1,327,000
Positions other than permanent	14,807	23,600	33,700
Other personal services	8,569	4,100	5,200
Total personal services	916,378	1,142,500	1,365,900
02 Travel	18,656	27,500	70,500
03 Transportation of things	2,664	1,700	2,600
04 Communication services	23,804	27,800	33,200
06 Printing and reproduction	11,486	26,500	36,900
07 Other contractual services	19,425	20,600	34,700
Payment to "Administrative operations fund"	203,586	215,700	297,000
Services performed by other agencies	5,508	6,000	7,000
08 Supplies and materials	13,135	16,800	36,600
09 Equipment	21,214	6,400	20,400
11 Grants, subsidies, and contributions		70,800	88,800
13 Refunds, awards, and indemnities	3,920	4,400	6,400
15 Taxes and assessments	283		
Total obligations	1,240,059	1,566,700	2,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, TRANSPORTATION AND UTILITIES ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operating expenses, Transportation and Public Utilities Service	$27,530	$27,600	$27,100
2. Civil defense planning	9,074	12,900	13,000
Total obligations	36,604	40,500	40,100
Financing:			
Advances and reimbursements from other accounts	36,604	40,500	40,100

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	8	8	7
Average number of all employees	6	6	7
Number of employees at end of year	8	7	7
Average GS grade and salary	7.8 $5,825	7.8 $5,909	6.7 $5,095
01 Personal services:			
Permanent positions	$34,533	$35,700	$35,200
Positions other than permanent	125		
Other personal services		200	200
Total personal services	34,658	35,900	35,400
02 Travel	117	200	200
04 Communication services	945	1,100	1,100
06 Printing and reproduction	88	100	100
07 Other contractual services	199	400	400
Services performed by other agencies	225	300	300
08 Supplies and materials	217	300	300
09 Equipment	155		
11 Grants, subsidies, and contributions		2,200	2,300
Total obligations	36,604	40,500	40,100

Proposed for later transmission:

OPERATING EXPENSES, TRANSPORTATION AND PUBLIC UTILITIES SERVICE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
SAGE program participation (total obligations)		$100,000	
Financing:			
Proposed supplemental appropriation		100,000	

Under existing legislation, 1958.—In addition to an allocation of $50,000 from the Emergency fund for the President, national defense, it is anticipated that a supplemental appropriation of $100,000 will be required for participation during 1958 in rate proceedings relating to the semiautomatic ground environment system of the Department of Defense.

DEFENSE MATERIALS ACTIVITIES

Current authorizations:

STRATEGIC AND CRITICAL MATERIALS

[Strategic and critical materials: Funds available for] *For necessary expenses in* carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946, [during the current fiscal year shall be available for the acquisition of one parcel of land located at Harahan, Louisiana, now under lease to the Government and used for the storage of strategic and critical materials,] *including* services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), not to exceed [$3,327,600] *$3,324,000* for operating expenses, not to exceed [$86,000] *$113,000* for expenses of travel, and necessary expenses for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of stra-

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DEFENSE MATERIALS ACTIVITIES—Continued

Current authorizations—Continued

STRATEGIC AND CRITICAL MATERIALS—Continued

tegic and critical materials acquired for or transferred to the supplemental stockpile established pursuant to section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1704 (b)), *$70,000,000, to remain available until expended*: *Provided*, That any funds received as proceeds from sale or other disposition of materials on account of the rotation of stocks under said Act shall be deposited to the credit, and be available for expenditure for the purposes, of this appropriation: *Provided further*, That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with subsection 6 (a) of the Act of July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to stockpiles established in accordance with said Act: *Provided further*, That no part of funds available shall be used for construction of warehouses or tank storage facilities. (*Independent Offices Appropriation Act, 1958.*)

Estimate 1959,[a] **$70,000,000**

[a] Includes $8,400 for activities previously carried under "Salaries and expenses, Office of Administrator." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition and rotation of materials:			
(a) Cost of new materials	$191,168,571	$91,700,000	$115,000,000
(b) Cost of rotated materials	70,230,455	88,241,000	92,121,000
(c) Operating expenses	321,769	393,220	395,130
Total, acquisition and rotation of materials	261,720,795	180,334,220	207,516,130
2. Custody of materials:			
(a) Storage and handling	12,649,307	14,500,000	15,100,000
(b) Physical inventory of materials	1,927,944	8,748,246	8,155,000
(c) Operating expenses	1,321,332	1,443,480	1,425,870
Total, custody of materials	15,898,583	24,691,726	24,680,870
3. Service direction	94,949	125,900	128,000
4. Administrative operations	1,315,883	1,373,400	1,375,000
Total obligations	279,030,210	206,525,246	233,700,000
Financing:			
Comparative transfers from (−) other accounts	−29,483	−8,400	
Unobligated balance brought forward	−389,029,618	−198,559,846	−76,663,000
Advances and reimbursements from—			
Other accounts	−88,101	−100,000	−100,000
Non-Federal sources	−60,826,750	−78,020,000	−81,937,000
Recovery of prior year obligations	−27,616,104	−6,500,000	−5,000,000
Unobligated balance carried forward	198,559,846	76,663,000	
Appropriation (new obligational authority)			70,000,000

NOTE.—Reimbursements from non-Federal sources from sale of perishable materials under the rotation program (50 U. S. C. 98), $60,826,487; and refund of employee terminal leave payments (5 U. S. C. 61 (b)), $263.

The Defense Materials Service acquires and administers national stockpile inventories pursuant to the Strategic and Critical Materials Stock Piling Act of 1946, and has custody of the supplemental stockpile established by the Agricultural Trade Development and Assistance Act of 1954. Programs are administered in accordance with guidelines established by the Office of Defense Mobilization.

The requested appropriation of $70 million, together with funds available from prior years' appropriations estimated at $81.7 million, will finance the acquisition of $115 million of additional materials for the national stockpile and $36.7 million for the custody and rotation of existing inventories. The $115 million for acquisition of materials will provide $18.8 million for direct purchases in the open market, and $96.2 million for transfer of materials secured by the Commodity Credit Corporation through barter of surplus agricultural products.

Transfers to the national stockpile of materials delivered under Defense Production Act expansion programs have been halted in 1958 and are not provided for in 1959 pending the completion of a review of stockpile policies and objectives currently being made by the Office of Defense Mobilization. This will require holding in the Defense Production Act borrowing authority account $194.9 million of material originally scheduled for reimbursable transfer to the stockpile during 1958 and 1959. Further financing will be requested for such transfers only to the extent the review indicates it is necessary.

Based on existing objectives, the status of the stockpile at June 30, 1957, prices is expected to be as follows:

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Value of objectives: Procurement priority level	$3,187.8	$3,200.0	$3,200.0
Total objectives	9,983.5	9,845.2	9,845.2
Procurement for objectives: Inventory: Procurement priority level	3,035.6	3,059.4	3,073.7
Total objectives	6,068.3	6,243.2	6,405.4
On order: Procurement priority level	10.1	6.7	3.2
Total objectives	242.3	159.0	111.9
Balance to be procured: Procurement priority level	142.1	133.9	123.1
Total objectives	3,672.9	3,443.0	3,327.9

1. *Acquisition and rotation of materials*—(*a*) *Cost of new materials.*—Strategic materials are being acquired from the following sources:

OBLIGATIONS (IN MILLIONS)

	1957 actual	*1958 estimate*	*1959 estimate*
Open market purchases	$80.0	$52.1	$18.8
Purchase of materials under Commodity Credit Corporation barter operations	54.6	32.2	96.2
Purchase of materials under Defense Production Act expansion programs	56.6	7.4	-----
Total	191.2	91.7	115.0

In addition to direct procurement, materials valued at $27.2 million are expected to be acquired by free transfer from programs of other agencies such as the International Cooperation Administration.

Based on existing stockpile objectives, and the proposed budget, status of procurement of the 76 materials now on the strategic stockpile list is as follows:

NUMBER OF MATERIALS

	1957 actual		*1959 estimate*	
	Priority level	*Total objective*	*Priority level*	*Total objective*
Percent completed:				
100	55	30	59	33
90 to 99	0	5	0	6
75 to 89	1	12	2	13
50 to 74	3	14	5	11
25 to 49	4	7	2	8
Under 25	3	8	0	5
Total	66	76	68	76

(*b*) *Cost of rotated materials.*—Inventories of such materials as rubber, fibers, and oils are rotated periodically to keep the inventory in prime condition. The volume of this program is expected to increase by 25 to 30% in 1958 and 1959 over 1957 as shown in the following table:

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Gross replacement cost of materials rotated	$70,230,455	$88,241,000	$92,121,000
Receipts from sales of materials rotated	60,826,750	78,020,000	81,937,000
Net cost to appropriation	9,403,705	10,221,000	10,184,000

(*c*) *Operating expenses.*—An increase in workload of rotation and disposal of agricultural type strategic materials is offset by a decrease in the metals, minerals, and ores procurement activity.

2. *Custody of materials.*—This covers handling, storage, and inventorying of materials delivered or transferred to the national and supplemental stockpiles. Deliveries of materials to the national stockpile during 1958 and 1959,

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including donated materials, will increase the value of materials in storage against national stockpile goals from $6,068.3 million on June 30, 1957, to $6,405.4 million on June 30, 1959. Transfers of $50.2 million of materials from Commodity Credit Corporation barter inventories and Interior domestic purchase program inventories to the supplemental stockpile during 1958 and 1959 will increase the value of the supplemental stockpile to $277.8 million as of June 30, 1959.

(*a*) *Storage and handling.*—As of June 30, 1957, strategic materials were stored at 224 locations including 24,262,000 square feet of closed storage, 66,388,000 square feet of open storage, and 1,875,000 barrels of tank storage. Total weight of the national and supplemental U. S. stockpiles on June 30, 1957, was approximately 25,588,000 tons. Obligations for storage and handling are expected to be:

	1958		*1959*	
Type of expense	*Units*	*Total cost*	*Units*	*Total cost*
Storage cost:	(*Ton-years*)		(*Ton-years*)	
Open storage	23,684,536	$1,754,529	24,704,704	$1,782,985
Closed storage	2,830,335	7,410,829	2,865,864	7,696,128
Tank storage	276,105	239,583	276,105	233,000
Miscellaneous leases		16,000		11,000
Nonrecurring costs		3,317,677		4,216,749
Total storage	26,790,976	12,738,618	27,846,673	13,939,862
Handling costs:	(*Short tons*)		(*Short tons*)	
New acquisitions	426,263	363,891	160,409	147,573
Rotation	274,918	677,178	284,268	682,610
Disposal	1,800	11,163	3,533	18,804
Relocation	52,000	66,250	53,664	70,671
Total handling	754,981	1,118,482	501,874	919,658
Relocation transportation		574,400		240,480
Acquisition of land		68,500		
Total storage and handling		14,500,000		15,100,000

(*b*) *Physical inventory of materials.*—This program was initiated in 1957 and the first cycle is scheduled for completion by the end of 1959. Since many cost elements are nonrecurring, the costs after 1959 will be sharply reduced.

(*c*) *Operating expenses.*—Administrative expenses in connection with handling, storage, and inventorying materials are expected to continue at the 1958 level in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	475	426	458
Full-time equivalent of all other positions	171	201	100
Average number of all employees	561	612	534
Number of employees at end of year	662	596	550
Average GS grade and salary	7.0 $5,523	7.3 $5,756	7.2 $5,687
Average salary of ungraded positions	$4,125	$4,325	$4,507
01 Personal services:			
Permanent positions	$2,045,479	$2,232,910	$2,346,953
Positions other than permanent	626,579	739,000	368,000
Other personal services	64,870	41,590	9,047
Total personal services	2,736,928	3,013,500	2,724,000
02 Travel	77,226	86,000	113,000
03 Transportation of things	8,682,374	6,710,000	8,099,000
04 Communication services	43,141	41,000	42,600
05 Rents and utility services	7,961	7,000	7,000
06 Printing and reproduction	22,752	21,000	21,700
07 Other contractual services	8,980,455	13,938,846	14,028,000
Payment to "Administrative operations fund"	1,315,883	1,373,400	1,375,000
Services performed by other agencies	5,161,048	6,000,000	6,000,000
08 Supplies and materials	251,874,529	175,016,000	201,050,000
09 Equipment	82,857	85,000	69,400
10 Lands and structures	23,149	68,500	
11 Grants, subsidies, and contributions		148,000	155,000
13 Refunds, awards, and indemnities	5,836		
15 Taxes and assessments	16,071	17,000	15,300
Total obligations	279,030,210	206,525,246	233,700,000

Informational Foreign Currency Schedule

Foreign Currency, Agricultural Trade Development and Assistance Act of 1954

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$3,028,262	−$2,194,444	
Unobligated balance carried forward	2,194,444		
Unobligated balance no longer available		2,194,444	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent	833,818		
Authorization to expend foreign currency receipts pursuant to 68 Stat. 454			

Acquisition of Tin

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Acquisition of materials (total obligations)	$8,000,000		
Financing:			
Appropriation (new obligational authority)	8,000,000		

Object Classification

03	Transportation of things	$112,070		
07	Other contractual services	4,700		
08	Supplies and materials	7,883,230		
	Total obligations	8,000,000		

Allocations Received From Other Accounts

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:

"Acquisition of strategic minerals," Department of the Interior.
"Air conditioning courtrooms, offices, and other rooms," the judiciary.
"Animal disease laboratory facilities," Agricultural Research Service.
"Building for storeroom, etc.," Saint Elizabeths Hospital.
"Buildings and facilities, Cincinnati, Ohio," Public Health Service.
"Buildings and facilities," Federal Prison System.
"Commodity Credit Corporation fund."
"Construction and equipment, geomagnetic station," Coast and Geodetic Survey.
"Construction and equipment of treatment building," Saint Elizabeths Hospital.
"Construction and rehabilitation," Bureau of Reclamation.
"Construction, Bureau of Old-Age and Survivors Insurance."
"Construction," Central Intelligence Agency.
"Construction," Gallaudet College.
"Construction and equipment, maximum security building," Saint Elizabeths Hospital.
"Construction, treatment and cafeteria building," Saint Elizabeths Hospital.
"Construction," National Park Service.
"Construction, Washington National Airport," Civil Aeronautics Administration.
"Construction of animal quarters," Public Health Service.
"Construction of biologics standards laboratory building," Public Health Service.
"Construction of biology-greenhouse building (liquidation of contract authorization)," Howard University.
"Construction of buildings," Howard University.
"Construction of dental research building," Public Health Service.
"Construction of facilities," National Bureau of Standards.
"Construction of housing facilities for animals," Public Health Service.
"Construction of laboratories," National Bureau of Standards.
"Construction of laboratories (liquidation of contract authorization)," National Bureau of Standards.
"Construction of library facilities," Public Health Service.
"Construction of men's dormitory (liquidation of contract authorization)," Howard University.
"Construction of research facilities," Public Health Service.
"Construction of surgical facilities," Public Health Service.
"Emergency fund for the President, national defense."
"Establishment of air-navigation facilities," Civil Aeronautics Administration.
"Establishment of meteorological facilities," Weather Bureau.
"Extension and remodeling, State Department building."
"General office building," Public Health Service.
"Government Printing Office revolving fund."
"Operation and maintenance," Department of the Army.
"Major repairs and preservation of buildings and grounds," Saint Elizabeths Hospital.
"Mental health activities," Public Health Service.
"Museum of History and Technology," Smithsonian Institution.
"Mutual security," funds appropriated to the President.
"Operating expenses," Atomic Energy Commission.
"Operations," Federal Civil Defense Administration.
"Plant acquisition and construction," Atomic Energy Commission.
"Plant and equipment," National Bureau of Standards.
"Salaries and expenses," Agricultural Research Service.
"Salaries and expenses," Smithsonian Institution.

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DEFENSE MATERIALS ACTIVITIES—Continued

Public enterprise funds:

ABACA FIBER PROGRAM

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Operating program:			
(a) Cost of fiber sold	$2,942,857	$3,950,443	$2,345,033
(b) Research and development	83,785	50,000	
(c) Administrative expenses	99,999	47,000	47,000
(d) Undistributed:			
Loss on disposal of fixed assets	7,551		
Adjustment of prior year transactions	−74,336		
Total operating program	3,059,856	4,047,443	2,392,033
2. Standby program (maintenance of acreage and other property)	386,124	5,000	15,000
Loss on disposal of fixed assets	−67		
Adjustment of prior year transactions	−1,250		
Total standby program	384,807	5,000	15,000
Total operating costs	3,444,663	4,052,443	2,407,033
Depreciation included above (−)	−462,425	−870,100	−315,000
Other costs included above not requiring funding (−)	−407,628	−31,100	
Total operating costs, funded	2,574,610	3,151,243	2,092,033
Capital outlay: Operating program: Replacement of fixed assets	82,492	50,000	50,000
Total program costs, funded	2,657,102	3,201,243	2,142,033
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−8,241	−190,814	
Obligations incurred for costs of other years, net			79,967
Total program (obligations)	2,648,861	3,010,429	2,222,000
Financing:			
Amounts becoming available:			
Revenues and receipts:			
Sales of fiber	1,877,246	3,041,500	1,645,000
Proceeds from disposal of assets	35,143		
Adjustment of prior year revenue	1,842		
Total amounts becoming available	1,914,231	3,041,500	1,645,000
Unobligated balance brought forward	5,296,214	4,561,584	4,592,655
Total amounts available	7,210,445	7,603,084	6,237,655
Unobligated balance carried forward	−4,561,584	−4,592,655	−4,015,655
Financing applied to program	2,648,861	3,010,429	2,222,000

Production and sale of abaca fiber is authorized by the Abaca Production Act of 1950 (50 U. S. C. 541). This fiber, otherwise known as manila hemp, is considered the best fiber available for the manufacture of ropes and cables for ships. No satisfactory substitute has been found for this fiber, and since it must be procured from foreign sources, it is included in the Government's stockpile of strategic and critical materials.

Because abaca, a vegetable fiber, cannot be stored indefinitely without deterioration, and because the quantities of abaca needed during an emergency are considerably greater than those used in peacetime by industry, the full wartime requirements of this fiber may not be stockpiled without incurring substantial financial losses periodically as the inventory requires replacement.

Under the existing program, the stockpile is maintained at that level at which surplus fiber can be consumed by industry as it is replaced with fresh fiber (rotation). The stockpile, though limited, would provide immediate needs in an emergency. Abaca cannot be propagated from actual seed; rather, it must be planted from the roots, or rhizomes, of standing cultivations. The Central American cultivations maintained under the abaca program represent the seed-bed from which to expand in time of war.

Budget program.—Highlights of past and contemplated program operations are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Acreage authorized by Office of Defense Mobilization	15,000	15,000	15,000
Acreage in cultivation	10,000	10,000	8,500
Production—pounds	8,354,300	12,730,000	7,000,000
Cash cost per pound—cents	26.3	21.0	28.2
Sales—pounds	8,362,650	12,730,000	7,000,000
Sales price per pound—cents	22.5	23.9	23.5
Inventory June 30—pounds	1,109,650	1,109,650	1,109,650

Production operations are conducted by means of a contract with United Fruit Co., under which the company is reimbursed for actual operating expenditures, plus a management fee. The operating projects are located in Costa Rica and Guatemala. Operations at the Panama project were terminated in 1955 and the factory is being maintained in standby. On March 11, 1957, the Office of Defense Mobilization (which by delegation acts for the President with respect to acreage determinations under the program) directed that the Honduras plantation be liquidated and the factory placed in standby. Upon completion of final harvesting at Honduras, the program acreage will be reduced to 8,500: 5,000 in Costa Rica and 3,500 in Guatemala. The program is under continuous review by the Office of Defense Mobilization with a view to adjustment of the acreage in accordance with current emergency plans.

Cash cost of all fiber to be produced in 1958 has been reduced from 26.3 cents to 21 cents per pound, the reduction also stemming directly from the lower cost of production in Honduras, where costs are expected to average approximately 12 cents per pound, as compared, for example, to 31.8 cents in Costa Rica and 28.8 cents in Guatemala.

Production and cost rates are estimated at substantially the same levels as in 1958 with respect to the two projects to be continued. Gross production and disbursements will be lower in 1959 primarily because of the elimination of the Honduras operation. Production in 1959 is estimated at 7,000,000 pounds, at a cost of 28.2 cents per pound. All of this production is scheduled for delivery to the stockpile, at an average price of 23.5 cents per pound. The present price for top grades is approximately 27 cents per pound. Net loss for 1959, after all charges, is estimated at $762,033.

Present and projected program losses are attributable primarily to low production. Harvesting may be carried on only at rates which agricultural experts will certify as being consistent with the health of the cultivations; otherwise the seed-potential of the cultivations will be jeopardized. The condition of the cultivations must be kept at the highest possible level, since the primary purpose of the program at this time is to maintain a seed-bed for expansion in time of emergency.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances		$495		
Inventories	$953,593	990,016	$835,573	$915,540
Deferred charges	2,431	2,321	2,321	2,321
Unpaid undelivered orders	80,925	35,876		
Total selected resources at end of year	1,036,949	1,028,708	837,894	917,861
Selected resources at start of year (−)		−1,036,949	−1,028,708	−837,894
Costs financed from obligations of other years, net (−)		−8,241	−190,814	
Obligations incurred for costs of other years, net				79,967

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Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Operating program:			
Replacement of fixed assets	$82,492	$50,000	$50,000
Expense:			
Cost of producing fiber for sale	2,199,698	2,674,800	1,975,000
Other expense	286,553	317,000	182,000
Standby program: Standby maintenance cost	269,324	5,000	15,000
Increase in selected working capital	424,952		
Total gross expenditures	3,263,019	3,046,800	2,222,000
Receipts from operations (funds provided):			
Operating program:			
Revenue	1,888,814	3,041,500	1,645,000
Adjustment of prior year transactions, net	65,219		
Undistributed receipts: Proceeds from disposal of assets	35,143		
Decrease in selected working capital		495	
Total receipts from operations	1,989,176	3,041,995	1,645,000
Budget expenditures	1,273,843	4,805	577,000

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$1,877,246	$3,041,500	$1,645,000
Expense	2,755,475	4,047,443	2,392,033
Net operating loss (−), operating program	−878,229	−1,005,943	−747,033
Standby program: Expense (net operating loss (−))	−386,977	−5,000	−15,000
Nonoperating loss (−):			
Proceeds from disposal of assets	35,143		
Net book value of assets disposed	−412,299		
Net loss (−) from disposal of assets	−377,156		
Nonoperating income	11,568		
Net nonoperating loss (−)	−365,588		
Net loss (−) for the year	−1,630,794	−1,010,943	−762,033
Analysis of deficit:			
Deficit (−), beginning of year	−5,305,604	−6,871,179	−7,882,122
Adjustment of prior year transactions:			
Affecting expense	63,377		
Affecting revenue	1,842		
Deficit (−), end of year	−6,871,179	−7,882,122	−8,644,155

Financial Condition

Assets:			
Cash with Treasury	$4,889,377	$4,884,572	$4,307,572
Advances	495		
Accounts receivable, net	737,947	737,947	737,947
Inventories	990,016	835,573	915,540
Deferred charges	2,321	2,321	2,321
Structures and equipment, net	4,904,092	4,052,892	3,787,892
Total assets	11,524,248	10,513,305	9,751,272
Liabilities:			
Current	1,029,864	1,029,864	1,029,864
Government investment:			
Non-interest-bearing capital	17,365,563	17,365,563	17,365,563
Deficit (−)	−6,871,179	−7,882,122	−8,644,155
Total Government investment	10,494,384	9,483,441	8,721,408

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$6,163,220	$4,889,377	$4,884,572	$4,307,572
Obligated balance, net:				
Current liabilities	846,166	1,029,864	1,029,864	1,029,864
Unpaid undelivered orders	80,925	35,876		
Accounts receivable, net and cash in transit (−)	−60,085	−737,947	−737,947	−737,947
Total obligated balance	867,006	327,793	291,917	291,917
Unobligated balance	5,296,214	4,561,584	4,592,655	4,015,655

Limitation on Administrative Expenses, Abaca Fiber Program

[Abaca fiber program:] Not to exceed $47,000 of funds available to the General Services Administration for the abaca fiber program shall be available for administrative expenses incident to the abaca fiber program, to be computed on an accrual basis, and to be exclusive of the interest paid, depreciation, capitalized expenditures, expenses in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property relating to the abaca fiber program, and expenses of services performed on a contract or fee basis in connection with the performance of legal services. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Program supervision	$56,999	$34,000	$34,000
2. Administrative operations	43,000	13,000	13,000
Total accrued administrative expenses	99,999	47,000	47,000
Financing:			
Unobligated balance no longer available	1		
Limitation	100,000	47,000	47,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	5	3	3
	Average number of all employees	5	3	3
	Number of employees at end of year	5	3	3
	Average GS grade and salary	12.2 $9,860	11.3 $9,567	11.3 $9,567
01	Personal services:			
	Permanent positions	$49,090	$27,900	$27,900
	Other personal services	4,203	100	100
	Total personal services	53,293	28,000	28,000
02	Travel	2,564	3,400	3,400
04	Communication services	520	500	500
06	Printing and reproduction	155	150	100
07	Other contractual services	346	100	100
	Payment to "Administrative operations fund"	43,000	13,000	13,000
	Services performed by other agencies	20		
08	Supplies and materials	101	100	100
11	Grants, subsidies, and contributions		1,750	1,800
	Total program (costs—obligations)	99,999	47,000	47,000

Defense Production Guaranties, Defense Materials Procurement Activities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loan guaranty expense (total costs—obligations)	$4,780	$13,400	$14,900
Financing:			
Amounts becoming available: Revenues and receipts: Loan guaranty fees	269,535	668,100	742,400
Unobligated balance brought forward	3,676,591	3,941,346	4,596,046
Total amounts available	3,946,126	4,609,446	5,338,446
Unobligated balance carried forward	−3,941,346	−4,596,046	−5,323,546
Financing applied to program	4,780	13,400	14,900

Guaranties are given on loans made by public or private financing institutions, including Federal Reserve banks, to facilitate performance of defense production contracts. Upon demand of lending institutions the Government is required to purchase the guaranteed percentage of the loan or the Government may elect to make a voluntary purchase of the guaranteed percentage. Advances from appropriations available for procurement may be made to this fund for its temporary use, although such action has not been necessary to date. Net earnings are retained to meet possible future losses (50 U. S. C., App. 2091).

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DEFENSE MATERIALS ACTIVITIES—Continued

Public enterprise funds—Continued

DEFENSE PRODUCTION GUARANTIES, DEFENSE MATERIALS PROCUREMENT ACTIVITIES—Continued

Guaranties totaling $38.8 million on 3 loans are estimated to be in effect by the end of 1959, compared to $20.8 million and 4 loans on June 30, 1957. Retained earnings are anticipated to be $5.3 million by the end of 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loan guaranty expense	$4,787	$13,400	$14,900
Increase in selected working capital	33,963	121,986	
Total gross expenditures	38,750	135,386	14,900
Receipts from operations (funds provided):			
Loan guaranty fees	269,535	668,100	742,400
Adjustment of prior year expense	7		
Decrease in selected working capital			21,300
Total receipts from operations	269,542	668,100	763,700
Budget expenditures	−230,792	−532,714	−748,800

Revenue, Expense, and Retained Earnings

Revenue: Loan guaranty fees	$269,535	$668,100	$742,400
Expense: Loan guaranty expense	4,787	13,400	14,900
Net income for the year	264,748	654,700	727,500
Analysis of retained earnings:			
Retained earnings, beginning of year	3,676,591	3,941,346	4,596,046
Adjustment of prior year expense	7		
Retained earnings, end of year	3,941,346	4,596,046	5,323,546

Financial Condition

Assets:			
Cash with Treasury	$3,874,973	$4,407,687	$5,156,487
Accounts receivable	66,759	188,359	167,059
Total assets	3,941,732	4,596,046	5,323,546
Liabilities:			
Current	386		
Government investment:			
Retained earnings	3,941,346	4,596,046	5,323,546

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Cash (total unexpended balance)	$3,644,181	$3,874,973	$4,407,687	$5,156,487
Obligated balance, net:				
Current liabilities	468	386		
Accounts receivable (−)	−32,878	−66,759	−188,359	−167,059
Total obligated balance	−32,410	−66,373	−188,359	−167,059
Unobligated balance	3,676,591	3,941,346	4,596,046	5,323,546

NOTE.—Loan guaranties outstanding, not included above are as follows: June 30, 1957, $20,806,634; 1958, $44,940,675; 1959, $38,799,662.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$4,780	$13,400	$14,900

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, DEFENSE MATERIALS ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Receipt and custody of bartered strategic materials (total obligations)	$4,218,666	$4,450,000	$4,500,000
Financing:			
Advances and reimbursements from Commodity Credit Corporation fund	$4,218,666	$4,450,000	$4,500,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	57	59	58
Average number of all employees	44	52	55
Number of employees at end of year	49	55	56
Average GS grade and salary	6.5 $4,956	6.7 $5,025	6.6 $5,077
Average salary of ungraded positions	$3,702	$3,702	$3,702
01 Personal services:			
Permanent positions	$219,254	$260,430	$277,940
Other personal services	1,554	970	1,060
Total personal services	220,808	261,400	279,000
02 Travel	11,970	18,000	18,000
03 Transportation of things	2,269,627	2,270,300	2,275,000
04 Communications services	4,721	6,500	6,500
05 Rents and utility services	2,164	2,500	2,500
06 Printing and reproduction	2,797	3,500	3,500
07 Other contractual services	717,299	822,000	846,000
Payment to "Administrative operations fund"	63,700	60,000	60,000
Services performed by other agencies	773,036	783,000	785,000
08 Supplies and materials	2,013	2,800	2,800
09 Equipment	3,914	2,800	2,800
10 Lands and structures	144,965	200,000	200,000
11 Grants, subsidies, and contributions		16,400	18,100
13 Refunds, awards, and indemnities	1,200		
15 Taxes and assessments	452	800	800
Total obligations	4,218,666	4,450,000	4,500,000

GENERAL ACTIVITIES

Current authorizations:

SALARIES AND EXPENSES, OFFICE OF ADMINISTRATOR

[Salaries and expenses, Office of Administrator:] For expenses of executive direction for activities under the control of the General Services Administration, including not to exceed [$8,000] *$7,000* for expenses of travel, and not to exceed $250 for purchase of newspapers and periodicals; [$260,000] *$200,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$260,000** Estimate 1959, [a] **$200,000**

[a] Excludes $60,000 for activities transferred in the estimates as follows:

"Operating expenses, Public Buildings Service"	$26,700
"Operating expenses, Federal Supply Service"	19,600
"Operating expenses, National Archives and Records Service"	3,600
"Operating expenses, Transportation and Public Utilities Service"	1,700
"Strategic and critical materials"	8,400

The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Executive direction (total obligations)	$162,817	$200,000	$200,000
Financing:			
Comparative transfers to other accounts	225,968	60,000	
Unobligated balance no longer available	6,215		
Appropriation (new obligational authority)	395,000	260,000	200,000

Policy direction and coordination of all programs of the Administration are provided by the Administrator with the assistance of a small central office staff.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	19	20	20
Full-time equivalent of all other positions	1		
Average number of all employees	18	20	20
Number of employees at end of year	16	20	20
Average GS grade and salary	8.0 $6,435	9.1 $6,829	9.1 $6,899
01 Personal services:			
Permanent positions	$139,181	$159,170	$163,765
Positions other than permanent	3,480		
Other personal services	4,059	4,730	4,135
Total personal services	146,720	163,900	167,900

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel	$1,879	$7,000	$7,000
04	Communication services	4,851	6,000	5,000
06	Printing and reproduction	2,576	4,400	4,200
07	Other contractual services	4,113	4,600	3,500
	Services performed by other agencies	145	400	400
08	Supplies and materials	936	1,000	1,000
09	Equipment	1,358	2,000	
11	Grants, subsidies, and contributions		10,600	10,900
13	Refunds, awards, and indemnities	150		
15	Taxes and assessments	89	100	100
	Total obligations	162,817	200,000	200,000

Refunds Under Renegotiation Act

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Rebate payments	$221,144	$250,000	$250,000
2. Refund payments	1,318,726	1,200,000	1,050,000
Total program (costs—obligations)	1,539,870	1,450,000	1,300,000
Financing:			
Unobligated balance brought forward	−4,276,604	−2,768,366	−1,318,366
Advances and reimbursements from other accounts	−31,632		
Unobligated balance carried forward	2,768,366	1,318,366	18,366
Appropriation (new obligational authority)			

Refund and rebate payments due World War II contractors are made upon approval of claims presented under the Revenue Act of 1951. Of the 4,124 claims with estimated payments of some $50 million, 3,918 had been settled through June 30, 1957, with payments of $47.2 million. It is hoped that most of the remaining claims will have been settled by the end of 1959.

Object Classification

		1957 actual	1958 estimate	1959 estimate
13	Refunds, awards, and indemnities	$1,267,440	$1,200,000	$1,050,000
14	Interest	272,430	250,000	250,000
	Total costs (obligations)	1,539,870	1,450,000	1,300,000

Public enterprise funds:

Corporations

The Administrator of General Services is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available therefor and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1959 for the following functions, except as hereinafter provided:

Federal Facilities Corporation Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Synthetic rubber program:			
Administrative expenses	$176,917	$50,000	$50,000
Plant expense	1,013,335	1,042,000	
Cost of inventory and supplies sold		989,643	
Adjustment of prior year transactions	−622,664		
Other	66,957	438,085	42,500
Loss on disposal of assets		2,150,338	

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Tin program:			
Cost of goods sold	$20,976,975		
Administrative expenses	216,401		
Waste acid plant expense	571,868		
Disposal and liquidating expense	109,062		
Adjustment of prior year transactions	−244,720		
Other	403		
Loss on disposal of assets	3,864,174		
Total operating costs	26,128,708	$4,670,066	$92,500
Adjustment of cost included above not requiring funding (−)	−3,864,174	−2,150,338	
Depreciation included above (−)	−933,996	−700,000	
Total operating costs, funded	21,330,538	1,819,728	92,500
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−16,953,654	−1,383,728	
Total program (obligations)	4,376,884	436,000	92,500
Financing:			
Amounts becoming available: Revenue and receipts:			
Synthetic rubber program:			
Sale of plant and equipment		3,132,500	
Less mortgage received in payment (−)		−2,343,750	
Net cash proceeds		788,750	
Collection of mortgages receivable	291,913	593,100	863,300
Sale of inventory and supplies		989,643	
Interest on mortgages receivable	379,178	352,600	419,400
Other revenue	35,724	9,000	
Tin program:			
Sale of tin plant	1,350,000		
Less mortgage received in payment (−)	−1,215,000		
Net cash proceeds	135,000		
Collection of mortgages receivable		50,000	55,000
Sale of tin	21,716,236		
Interest on mortgages receivable	18,114	47,100	45,000
Total amounts becoming available	22,576,165	2,830,193	1,382,700
Unobligated balance brought forward	18,401,456	11,600,737	13,994,930
Total amounts available	40,977,621	14,430,930	15,377,630
Capital transfer (repayment of investment to Treasury) (−)	−25,000,000		
Unobligated balance carried forward	−11,600,737	−13,994,930	−15,285,130
Financing applied to program	4,376,884	436,000	92,500

Federal Facilities Corporation was created on June 30, 1954, under the provisions of the Rubber Act of 1948 and Executive Order 10539, primarily to administer the operations of the Government-owned synthetic rubber facilities until disposal of the properties to private interests was completed. In addition, the Corporation was designated to conduct the operation of the Government-owned tin smelter at Texas City, Tex.

Administration and jurisdiction of the Federal Facilities Corporation was transferred to the Administrator of General Services, from the Secretary of the Treasury, pursuant to Executive Order 10720, dated July 11, 1957. Assets transferred to General Services Administration represented a net investment of the Government of $29,443,475.

Budget program—Synthetic rubber program.—Except for one alcohol butadiene plant at Louisville, Ky., which is under lease to a private operator, and a small catalyst manufacturing facility in Baltimore, Md., the program to transfer the synthetic rubber-producing facilities to private ownership has been completed. In Executive Order 10678, dated September 20, 1956, the President named the Corporation as successor to the Rubber Producing Facilities Disposal Commission for the purpose of administering the contracts entered into in disposing of the synthetic rubber plants.

Tin program.—Public Law 608, approved June 22, 1956, provided for operation of the tin smelter until January 31, 1957. It also authorized and directed the Corporation to take steps immediately to sell or lease the tin-producing

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GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

CORPORATIONS—Continued

FEDERAL FACILITIES CORPORATION FUND—continued

facilities. Sale of the facilities was completed February 15, 1957, and the Corporation's sole remaining function with respect to tin is to administer the sale contract.

Administrative expenses.—Administrative expenses consist of salaries and related costs of personnel engaged in the supervision of the Corporation's functions, together with rental costs of office space.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories for sale	$7,517,971	$468,257		
Supplies and deferred charges	1,470,511	915,471		
Unpaid undelivered orders	9,348,900			
Total selected resources at end of year	18,337,382	1,383,728		
Selected resources at start of year (−)		−18,337,382	−$1,383,728	
Costs financed from obligations of other years, net (−)		−16,953,654	−1,383,728	

Operating results.—During 1957, the Corporation paid into the Treasury $25 million from liquidation proceeds, thereby reducing the equity of Treasury to $29.4 million.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Synthetic rubber program: Expense	$554,074	$830,085	$92,500
Tin program:			
Purchase and processing cost	13,927,261		
Other expense	666,873		
Increase in selected working capital			2,700
Total gross expenditures	15,148,208	830,085	95,200
Receipts from operations (funds provided):			
Synthetic rubber program:			
Sale of plant and equipment		3,132,500	
Less mortgage received in payment (−)		−2,343,750	
Net cash proceeds		788,750	
Proceeds from mortgages repaid	291,913	593,100	863,300
Operating revenue	414,902	1,351,243	419,400
Adjustment of prior year transactions	622,664		
Tin program:			
Sale of tin smelter	1,350,000		
Less mortgage received in payment (−)	−1,215,000		
Net cash proceeds	135,000		
Proceeds from mortgages repaid		50,000	55,000
Operating revenue	21,734,350	47,100	45,000
Adjustment of prior year transactions	244,720		
Decrease in selected working capital	2,005,494	543,361	
Total receipts from operations	25,449,043	3,373,554	1,382,700
Budget expenditures	−10,300,835	−2,543,469	−1,287,500

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Synthetic rubber program:			
Revenue	$414,902	$1,351,243	$419,400
Expense	1,257,209	2,519,728	92,500
Net operating income or loss (−) synthetic rubber program	−842,307	−1,168,485	326,900
Tin program:			
Revenue	21,734,350	47,100	45,000
Expense	21,874,709		
Net operating income or loss (−) tin program	−140,359	47,100	45,000
Nonoperating income or loss (−):			
Synthetic rubber program:			
Proceeds from sale of property, plant and equipment		3,132,500	
Net book value of assets sold (−)		−5,282,838	
Net nonoperating loss (−)		−2,150,338	

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Nonoperating income or loss (−)—Con.			
Tin program:			
Proceeds from sale of property, plant and equipment	$1,350,000		
Net book value of assets sold (−)	−5,214,174		
Net nonoperating loss (−)	−3,864,174		
Net income or loss (−) for the year	−4,846,840	−$3,271,723	$371,900
Analysis of equity:			
Equity, beginning of year	58,422,931	29,443,475	26,171,752
Adjustment of prior year transactions	867,384		
Repayment of investment to Treasury (−)	−25,000,000		
Equity, end of year	29,443,475	26,171,752	26,543,652

Financial Condition

Assets:			
Cash with Treasury	$9,864,996	$12,408,465	$13,695,965
Accounts receivable, net	1,867,979	1,612,000	1,614,800
Chemicals for sale	468,257		
Supplies and deferred charges	915,471		
Mortgages receivable	10,476,171	12,176,821	11,258,521
Property, plant and equipment, net	5,982,839	1	1
Total assets	29,575,713	26,197,287	26,569,287
Liabilities:			
Current	132,238	25,535	25,635
Government equity:			
Non-interest-bearing equity	29,443,475	26,171,752	26,543,652

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$24,564,161	$9,864,996	$12,408,465	$13,695,965
Obligated balance, net:				
Current liabilities	2,347,829	132,238	25,535	25,635
Unpaid undelivered orders	9,348,900	(1)		
Accounts receivable, net (−)	−5,534,024	−1,867,979	−1,612,000	−1,614,800
Total obligated balance	6,162,705	−1,735,741	−1,586,465	−1,589,165
Unobligated balance	18,401,456	11,600,737	13,994,930	15,285,130

[1] There is a contingent liability of $1,500,000 represented by claims in litigation, etc., under the synthetic rubber program.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL FACILITIES CORPORATION

Not to exceed $50,000 shall be available during the fiscal year [1958] *1959* for all administrative expenses of the Corporation (including use of the services and facilities of Federal Reserve banks), to be computed on an accrual basis, and to be exclusive of interest paid, depreciation, capitalized expenditures, expenses in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation or in which it has an interest, expenses of services performed on a contract or fee basis in connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies. (*Treasury-Post Office Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Synthetic rubber	$176,917	$50,000	$50,000
2. Tin	216,401		
Total accrued administrative expenses	393,318	50,000	50,000
Financing:			
Unobligated balance no longer available	31,682		
Limitation	425,000	50,000	50,000

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	68	9	6
Full-time equivalent of all other positions	1		
Average number all employees	47	6	6
Number of employees at end of year	23	6	6
Average GS grade and salary	10.0 $7,836	11.5 $8,977	10.3 $8,146
Average salary of ungraded positions	$4,331		
01 Personal services:			
Permanent positions	$332,058	$35,675	$31,975
Positions other than permanent	6,794		
Other personal services	4,354	125	125
Total personal services	343,206	35,800	32,100
02 Travel	5,209	2,000	3,500
03 Transportation of things	586		600
04 Communication services	4,163	800	1,100
05 Rents and utility services	24,376	4,800	4,800
06 Printing and reproduction	179	100	600
07 Other contractual services	2,511	600	1,100
Services performed by other agencies	12,274	3,000	3,500
08 Supplies and materials	814	500	600
11 Grants, subsidies, and contributions		2,400	2,100
Total accrued administrative expenses	393,318	50,000	50,000

RECONSTRUCTION FINANCE CORPORATION LIQUIDATI ON FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Liquidation of World War II assets program:			
Administrative expenses	$72,223	$70,000	$69,000
Land, structures, and equipment charged off	631,220		
Other	7,959,347	25,950	25,950
Liquidation of Smaller War Plants Corporation program:			
Administrative expenses	10,817	11,000	11,000
Other	121,732		
Total operating costs	8,795,339	106,950	105,950
Other costs included above not requiring funding (−)	−631,220		
Total operating costs, funded	8,164,119	106,950	105,950
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Liquidation of World War II assets program:			
Proceeds from sale of land, structures, and equipment	200		265,000
Proceeds from sale of investment			6,900
Revenue	179,502	149,650	208,500
Adjustment in valuation allowances	9,507,633		
Liquidation of Smaller War Plants Corporation program:			
Loans repaid	139,274	132,684	24,803
Revenue	33,429	9,900	6,600
Total amounts becoming available	9,860,038	292,234	511,803
Unobligated balance brought forward	10,773,345	12,469,264	12,304,548
Total amounts available	20,633,383	12,761,498	12,816,351
Capital transfer (repayment of investment to Treasury) (liquidation of Smaller War Plants Corporation program) (−)		−350,000	−50,000
Unobligated balance carried forward	−12,469,264	−12,304,548	−12,660,401
Financing applied to program	8,164,119	106,950	105,950

Under the provisions of Reorganization Plan No. 1 of 1957, the Reconstruction Finance Corporation was abolished as a corporate entity and the remaining functions of the Smaller War Plants Corporation and the World War II assets program were transferred to the General Services Administration for final liquidation. In addition, cash of $9,332 was transferred from the lending program of the Reconstruction Finance Corporation to offset an equal leave liability.

Budget program.—It is anticipated that there will continue during 1959 the servicing of leases and conditional sales agreements covering 15 facilities, plus servicing of approximately 50 other miscellaneous assets and 5 loans of the Smaller War Plants Corporation. Financial and legal servicing will also be required on approximately 25 liabilities, plus approximately 100 cases in the hands of the Department of Justice under the complex food subsidy program.

Administrative expenses are estimated to continue at about the same level through 1959.

Operating results.—Proceeds from liquidation will be paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Liquidation of World War II assets program:			
Expense	$7,890,352	$95,950	$94,950
Adjustment of prior year transactions	141,218		
Liquidation of Smaller War Plants Corporation program: Expense	132,549	11,000	11,000
Total gross expenditures	8,164,119	106,950	105,950
Receipts from operations (funds provided):			
Liquidation of World War II assets program:			
Proceeds from sale of land, structures, and equipment	200		265,000
Proceeds from sale of investment			6,900
Revenue	179,502	149,650	208,500
Liquidation of Smaller War Plants Corporation program:			
Loans repaid	139,274	132,684	24,803
Revenue	33,429	9,900	6,600
Decrease in selected working capital	8,993,119	426,742	309,575
Total receipts from operations	9,345,524	718,976	821,378
Budget expenditures	−1,181,405	−612,026	−715,428

Revenue, Expense, and Retained Earnings

Liquidation of World War II assets program:			
Revenue	$179,502	$149,650	$208,500
Expense	7,890,352	95,950	94,950
Liquidation of Smaller War Plants Corporation program:			
Revenue	33,429	9,900	6,600
Expense	132,549	11,000	11,000
Net operating income or loss (−)	−7,809,970	52,600	109,150
Nonoperating income or loss (−):			
Liquidation of World War II assets program:			
Proceeds from sale of land, structures, and equipment	200		265,000
Net book value of assets sold (−)	−200		−265,000
Land, structures, and equipment charged off (−)	−631,220		
Increase (−) or decrease in valuation allowances:			
Accounts and other receivables	9,507,633		
Land, structures, and equipment	−1,017,397		
Liquidation of Smaller War Plants Corporation program:			
Loans charged off (−)	−5,691		
Increase in valuation allowances (−):			
Loans	−71,573		
Accounts receivable	−235		
Net nonoperating income	7,781,517		
Net income or loss (−) for the year	−28,453	52,600	109,150
Analysis of equity:			
Equity, beginning of year	14,260,536	14,090,865	13,793,465
Adjustment of prior year transactions	−141,218		
Repayment of investment to Treasury		−350,000	−50,000
Equity, end of year	14,090,865	13,793,465	13,852,615

Financial Condition

Assets:			
Cash with Treasury	$7,819,259	$8,090,617	$8,756,045
Investment	6,900	6,900	
Accounts and other receivables (net)	4,787,849	4,375,315	3,979,145
Collateral acquired in liquidation of loan indebtedness	29,791	15,583	5,088
Loans receivable, net	287,618	154,934	130,131
Land, structures, and equipment (net)	1,327,083	1,327,083	1,062,083
Total assets	14,258,500	13,970,432	13,932,492
Liabilities:			
Current	167,635	176,967	79,877
Government equity:			
Non-interest-bearing equity	14,090,865	13,793,465	13,852,615

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GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

CORPORATIONS—Continued

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND—con.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$6,637,853	$7,819,259	$8,090,617	$8,756,045
Obligated balance, net: Current liabilities	257,367	167,635	176,967	79,877
Accounts and other receivables, collateral acquired in loan indebtedness (net) (−)	−4,392,859	−4,817,640	−4,390,898	−3,984,233
Total obligated balance	−4,135,492	−4,650,005	−4,213,931	−3,904,356
Unobligated balance	10,773,345	12,469,264	12,304,548	12,660,401

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Not to exceed [$800,000] *$54,000* (to be computed on an accrual basis) of the funds derived from [Reconstruction Finance Corporation activities (except those conducted under section 409 of the Federal Civil Defense Act of 1950)] *liquidation of functions of Reconstruction Finance Corporation transferred to General Services Administration under Reorganization Plan No. 1 of 1957 (22 F. R. 4633)*, shall be available during the current fiscal year for administrative expenses incident to the liquidation of said [Corporation, including use of the services and facilities of the Federal Reserve banks] *functions*: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the aggregate cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States; the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services; and all administrative expenses reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts [of the Corporation] shall be made in accordance with generally recognized accounting principles and practices. (*Treasury-Post Office Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Liquidation of World War II assets and liabilities	$72,223	$70,000	$69,000
2. Liquidation of Smaller War Plants Corporation	10,817	11,000	11,000
Total	83,040	81,000	80,000
Deduct portion not chargeable to limitation	5,140	26,000	26,000
Total accrued administrative expenses	77,900	55,000	54,000
Financing:			
Comparative transfers from (−) other accounts	−77,900		
Limitation		55,000	54,000

Object Classification

07 Other contractual services: Payment to "Administrative operations fund"	$77,900	$55,000	$54,000

Intragovernmental funds:

ADMINISTRATIVE OPERATIONS FUND

[Administrative operations fund:] Funds available to General Services Administration for administrative operations, in support of program activities, shall be expended and accounted for, as a whole, through a single fund, which is hereby authorized: *Provided*, That costs and obligations for such administrative operations for the respective program activities shall be accounted for in accordance with systems approved by the General Accounting Office: *Provided further*, That the total amount deposited into said account for the fiscal year [1958] *1959* from funds made available to General Services Administration in this Act shall not exceed [$10,530,000] *$11,100,000*, of which not to exceed [$153,300] *$198,000* may be used for travel expenses: *Provided further*, That amounts deposited into said account for administrative operations for each program shall not exceed the amounts included in the respective program appropriations for such purposes. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Financial services	$7,651,503	$8,288,500	$8,493,000
2. Administrative services	3,199,994	3,543,000	3,633,000
3. Legal services	898,469	1,022,000	1,139,000
4. Legislative and information services	99,721	138,000	146,000
5. Management supervision	238,895	276,000	304,000
Total obligations	12,088,582	13,267,500	13,715,000
Financing:			
Advances and reimbursements from other accounts:			
Included in limitation	9,683,268	10,645,000	11,100,000
Comparative transfers included above	(303,868)	(60,000)	
Excluded from limitation	2,427,866	2,622,500	2,615,000
Comparative transfers included above	(91,000)		
Unobligated balance no longer available	−22,552		
Total financing	12,088,582	13,267,500	13,715,000

Financial, administrative, legal, legislative and informational services and management supervision required to support all General Services Administration programs are provided by the integrated staff organization of General Services Administration. They are initially financed from an administrative operations fund into which the various benefiting appropriations and funds make deposits for their share of the obligations incurred. Of the amount deposited in the fund during a fiscal year, the total amount from appropriations made available to General Services Administration in the annual act for the year is subject to a specific monetary limitation and amounts from each appropriation are limited to those included in the respective program appropriations for that purpose. Deposits from other sources are not covered in the limitation as the scope of programs and supporting workload is seldom precisely known in advance.

Estimated amounts available for 1959 from the various sources and comparable data for 1957 and 1958 are:

	1957 comparable	*1958 comparable*	*1959 estimate*
Included in limitation:			
Operating expenses, Public Buildings Service	$3,307,385	$3,401,700	$3,272,000
Repair and improvement	602,550	871,000	750,000
Sites and expenses, purchase contract projects	141,000	164,000	170,000
Operating expenses, Federal Supply Service	620,191	702,600	926,000
Expenses, supply distribution	2,990,000	3,449,000	3,825,000
Operating expenses, National Archives and Records Service	381,773	399,600	418,000
Operating expenses, Transportation and Public Utilities Service	203,586	215,700	297,000
Strategic and critical materials	1,315,883	1,373,400	1,375,000
Administrative expenses, abaca fiber program	43,000	13,000	13,000
Reconstruction Finance Corporation liquidation fund	77,960	55,000	54,000
Total included in limitation	9,683,268	10,645,000	11,100,000

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	1957 comparable	*1958 comparable*	*1959 estimate*
Excluded from limitation:			
Expansion of defense production	$1,320,900	$1,150,000	$1,150,000
Buildings management fund	493,035	483,300	483,300
Construction services	203,500	310,000	310,000
General supply fund	91,000	216,600	216,600
Administrative expenses, foreign-aid procurements	182,000	286,000	286,000
Advances and reimbursements, personal property activities: Federal Civil Defense Administration	30,500	64,000	64,000
Other advances and reimbursements, not shown in this chapter:			
Commodity Credit Corporation fund	63,700	60,000	60,000
Acquisition of strategic minerals	20,000	20,000	20,000
Other minor sources	23,231	32,600	25,100
Total excluded from limitation	2,427,866	2,622,500	2,615,000
Unobligated balance	−22,552		
Grand total	12,088,582	13,267,500	13,715,000

The budget increases in General Services Administration programs will require increases in supporting administrative services and certain understaffed services will require strengthening to provide more adequate support.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		2,003	2,056	2,100
Full-time equivalent of all other positions		21	5	3
Average number of all employees		1,904	1,997	2,045
Number of employees at end of year		1,957	2,052	2,100
Average GS grade and salary		6.9 $5,473	7.0 $5,549	7.1 $5,612
01	Personal services:			
	Permanent positions	$10,303,070	$11,022,738	$11,435,039
	Positions other than permanent	82,556	19,300	17,000
	Other personal services	218,355	119,862	55,261
	Total personal services	10,603,981	11,161,900	11,507,300
02	Travel	155,116	189,600	244,400
03	Transportation of things	13,763	9,600	10,000
04	Communication services	160,765	165,800	161,800
05	Rents and utility services	376,779	427,300	435,600
06	Printing and reproduction	273,583	271,400	275,600
07	Other contractual services	122,323	118,600	113,600
	Services performed by other agencies	59,258	55,600	57,500
08	Supplies and materials	106,083	106,200	109,400
09	Equipment	168,479	28,900	20,100
11	Grants, subsidies, and contributions		692,100	746,900
13	Refunds, awards, and indemnities	43,055	35,000	27,000
15	Taxes and assessments	5,397	5,500	5,800
	Total obligations	12,088,582	13,267,500	13,715,000

Working Capital Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$171,232	$173,216	$168,400
Other operating expense	609,281	666,100	669,600
Profit from sale of equipment	−654		
Total operating costs	779,859	839,316	838,000
Adjustment of cost included above, not requiring funding	654		
Depreciation included above (−)	−12,477	−12,500	−12,500
Total operating costs, funded	768,036	826,816	825,500
Capital outlay:			
Acquisition of equipment	21,366		
Property transferred (−) without charge	−50		
Total capital outlay, funded	21,316	20,000	20,000
Total program costs, funded	789,352	846,816	845,500
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−20,523		
Obligations incurred for costs of other years, net		5,206	
Total program (obligations)	768,829	852,022	845,500

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Sales of services	$781,832	$839,816	$838,400
Other revenue	1,380		
Total amounts becoming available	783,212	839,816	838,400
Unobligated balance brought forward	63,729	78,107	63,648
Total amounts available	846,941	917,923	902,048
Capital transfer (payment of earnings to Treasury) (−)	−5	−2,253	−500
Unobligated balance carried forward	−78,107	−63,648	−56,048
Financing applied to program	768,829	852,022	845,500

A central blueprinting, photostating, duplicating, and distribution service is financed by a working capital fund pending reimbursements (40 U. S. C. 293).

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories—Stock	$50,113	$62,016	$64,000	$64,000
Unpaid undelivered orders	39,204	6,778	10,000	10,000
Total selected resources at end of year	89,317	68,794	74,000	74,000
Selected resources at start of year (−)		−89,317	−68,794	−74,000
Costs financed from obligations of other net years, net (−)		−20,523		
Obligations incurred for costs of other years, net			5,206	

Operating results.—Surplus earnings are deposited into miscellaneous receipts of the Treasury. Through June 30, 1957, a total of $40,460 has been deposited, and it is estimated that $43,213 will be deposited through 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$21,316	$20,000	$20,000
Expense:			
Purchase of raw materials	183,135	175,200	168,400
Other expense	597,024	653,600	657,100
Increase in selected working capital		4,420	
Total gross expenditures	801,475	853,220	845,500
Receipts from operations (funds provided):			
Proceeds from sale of equipment	1,150		
Revenue	782,062	839,816	838,400
Adjustment of prior year expense	220		
Decrease in selected working capital	25,869		
Total receipts from operations	809,301	839,816	838,400
Budget expenditures	−7,826	13,404	7,100

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue	$782,062	$839,816	$838,400
Expense	780,733	839,316	838,000
Net operating income	1,329	500	400
Nonoperating income or loss (−):			
Proceeds from sale of equipment	1,150		
Net book value of assets sold (−)	−496		
Net gain from sale of equipment	654		
Equipment transferred from other sources	50		
Net nonoperating income	704		
Net income for the year	2,033	500	400
Analysis of retained earnings:			
Retained earnings, beginning of year	5	2,253	500
Payment of earnings to Treasury (−)	−5	−2,253	−500
Adjustment of prior year expense	220		
Retained earnings, end of year	2,253	500	400

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GENERAL ACTIVITIES—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$138,305	$122,648	$115,048
Accounts receivable	65,873	65,000	65,000
Inventory: Stock	62,016	64,000	64,000
Equipment, net	99,896	107,396	114,896
Total assets	366,090	359,044	358,944
Liabilities:			
Current	119,293	114,000	114,000
Government investment:			
Non-interest-bearing capital	244,544	244,544	244,544
Retained earnings	2,253	500	400
Total Government investment	246,797	245,044	244,944

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$130,484	$138,305	$122,648	$115,048
Obligated balance, net:				
Current liabilities	101,505	119,293	114,000	114,000
Unpaid undelivered orders	39,204	6,778	10,000	10,000
Accounts receivable, net (−)	−73,954	−65,873	−65,000	−65,000
Total obligated balance	66,755	60,198	59,000	59,000
Unobligated balance	63,729	78,107	63,648	56,048

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	134	134	134
Average number of all employees	127	130	130
Number of employees at end of year	127	134	134
Average GS grade and salary	4.6 $4,264	4.6 $4,271	4.6 $4,335
Average salary of ungraded positions	$4,406	$4,645	$4,645
01 Personal services:			
Permanent positions	$544,947	$576,800	$580,000
Other personal services	16,205	7,500	7,500
Excess of annual leave earned over leave taken	6,277		
Total personal services	567,429	584,300	587,500
02 Travel	44	1,000	1,000
03 Transportation of things	30	100	100
04 Communication services	2,885	3,000	3,000
05 Rents and utility services	1,901	2,000	2,000
06 Printing and reproduction	473	500	500
07 Other contractual services	12,752	14,300	14,300
Services performed by other agencies	1,661	1,700	1,700
08 Supplies and materials	192,323	183,800	177,000
09 Equipment	21,316	20,000	20,000
11 Grants, subsidies, and contributions		37,500	37,800
13 Refunds, awards, and indemnities	565	500	500
15 Taxes and assessments	96	100	100
Subtotal	801,475	848,800	845,500
Adjustment of prior year expense	−220		
Total accrued expenditures	801,255	848,800	845,500
Increase or decrease (−) in undelivered orders	−32,426	3,222	
Total obligations	768,829	852,022	845,500

ADVANCES AND REIMBURSEMENTS, GENERAL ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Salaries and expenses, Office of Administrator	$235		
2. Federal Facilities Corporation fund	12,234		
Total obligations	12,469		
Financing:			
Advances and reimbursements from other accounts	12,469		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5		
Average number of all employees	1		
Average GS grade and salary	9.8 $7,358		
01 Personal services: Permanent positions	$10,741		
02 Travel	924		
04 Communication services	140		
05 Rents and utility services	622		
08 Supplies and materials	42		
Total obligations	12,469		

GENERAL PROVISIONS, GENERAL SERVICES ADMINISTRATION

The appropriate appropriation or fund available to the Genera Services Administration shall be credited with (1) cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U. S. C. 129); (2) reimbursements for services performed in respect to bonds and other obligations under the jurisdiction of the General Services Administration, issued by public authorities, States, or other public bodies, and such services in respect to such bonds or obligations as the Administrator deems necessary and in the public interest may, upon the request and at the expense of the issuing agencies, be provided from the appropriate foregoing appropriation; and (3) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U. S. C. 451ff), and such appropriations or funds may, with the approval of the Bureau of the Budget, be so transferred.

Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

No part of any money appropriated by this or any other Act for any agency of the executive branch of the Government shall be used during the current fiscal year for the purchase within the continental limits of the United States of any typewriting machines except in accordance with regulations issued pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

Not to exceed 2 per centum of any appropriation made available to the General Services Administration for the current fiscal year by this Act may be transferred to any other such appropriation, but no such appropriation shall be thereby increased more than 2 per centum: *Provided*, That such transfers shall apply only to operating expenses, and shall not exceed in the aggregate the amount of $2,000,000. (*Independent Offices Appropriation Act, 1958.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

GENERAL SERVICES ADMINISTRATION

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
General supply fund	1,672	$2,474,560	1,824	$418,000	$2,056,560	3,510	$100,000	Operations of interagency motor pools at 56 locations by June 30, 1959, under Public Law 766, approved Sept. 1, 1954. Pools will provide motor transportation for participating Government agencies, including General Services Administration in the conduct of Government business.
Station wagon	396	707,256	432	99,000	608,256	667	----------	Do.
Ambulance	22	131,670	24	5,500	126,170	45	----------	Do.
Bus	22	131,670	24	5,500	126,170	45	----------	Do.
Total, General Services Administration.	2,112	3,445,156	2,304	528,000	2,917,156	4,267	100,000	

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HOUSING AND HOME FINANCE AGENCY

Net expenditures of the Housing and Home Finance Agency in 1959 are estimated to rise substantially to $455 million, primarily because larger purchases of mortgages and larger disbursements on college housing loans are anticipated. The new obligational authority recommended, amounting to $638 million, however, is $1,487 million less than enacted for 1958. The sharp decline in new obligational authority is due almost entirely to the fact that the funds provided by the Congress for the Federal National Mortgage Association in 1958 are adequate also to cover most of its 1959 requirements.

The programs administered by the Housing and Home Finance Agency consist predominantly of loans and loan insurance, mortgage purchases, and grants. A considerable share of the financial requirements each year is met by repayments of loans or other receipts from assets acquired in earlier years. Several of the most important programs have long lead-times between initial obligation or other reservation of funds and the eventual disbursements.

Under the 1959 budget, new reservations or commitments will be at or below the 1958 amounts for most programs. In addition, a considerable part of the direct loan and mortgage purchase requirements will be shifted from direct Government financing to private financing. For example, legislation is being proposed to repeal the requirement that the Federal National Mortgage Association special assistance program purchase mortgages at par, considerably above the prices private lenders are willing to pay.

Community development and facilities.—New obligational authority of $200 million is requested for 1959 for capital grants by the Urban Renewal Administration for slum clearance and urban renewal projects. This authority, together with authority enacted in previous years which is still available, will permit reservations for new grants of $250 million, compared to $300 million in 1958. Under proposed legislation annual grant reservations of $250 million would be authorized for 1960 and 1961, and $200 million in each of the following 3 years, with progressive reductions in the ratio of Federal aid. Other legislative proposals would revise Federal aid for planning these projects from advances to participating grants and would authorize financial assistance (without grants) for nonresidential urban renewal projects.

Under the budget, progress on projects now underway will be considerably more rapid than in prior years. Planning will be completed and actual work started on 100 projects in 1958 and on 120 projects in 1959, compared with 56 in 1957. In addition, an estimated 20 projects will be completed in 1958 and 25 in 1959, compared to the 3 completed in the entire prior history of the program. Disbursements of capital grants will increase to $60 million in 1959, twice as high as in 1957.

Loan commitments by the Community Facilities Administration to help construct local public works are estimated at $30 million in 1959, an increase of $10 million above 1958. The available lending authority for this purpose is adequate for 1959. New appropriations of $8.5 million are recommended to permit approval of advances for the planning of non-Federal public works to continue at approximately the 1958 level of $10 million.

Public housing programs.—The Public Housing Administration plans to enter into annual contributions contracts with local housing authorities for the construction and operation of 33,466 additional dwelling units of low-rent public housing in 1958, and 33,635 units in 1959. If achieved, this schedule will complete contracts on the 70,000 units authorized by the Housing Act of 1956 within the statutory expiration dates. However, in order to avoid undue pressure to place units under contract prematurely, legislation will be proposed to extend the expiration dates for another year. This housing will be used, in part, for the relocation of low-income families displaced by urban renewal projects and by other governmental action. Annual contributions to local housing authorities are estimated to increase from $90.6 million in 1957 to $114 million in 1959, as more projects are completed and become eligible for contributions. A supplemental appropriation of $4.8 million is estimated for 1958 to cover contractual payments of $99.8 million in that year.

The disposal of the remaining housing built under emergency programs during World War II and the Korean war will be completed in the current fiscal year. An estimated $168 million in mortgages received as part of the sales price will be liquidated in 1959 and subsequent years. Substantial progress is also being made on the sale of Government-owned housing in the atomic energy communities of Oak Ridge, Tenn., and Richland, Wash.

Other aids to housing.—New obligational authority of $200 million for 1959 is recommended under proposed legislation for the college housing loans program of the Community Facilities Administration. This will permit net new reservations of loan funds of $225 million, slightly below the $235 million of 1958 reservations. Legislation is being proposed (1) to amend the present interest rate formula so that rates can be charged at least sufficient to cover the cost to the Government, and (2) to establish a new program of Federal guaranties for college housing loans placed with private lenders. These proposals are designed to assure that institutions finance their housing needs privately if loans are available on reasonable terms.

The Federal Housing Administration expects to examine applications for mortgage insurance covering 600,400 units in 1958 and 635,500 units in 1959, compared to a total of 422,000 units in 1957. This sharp increase in activity represents both transfers of activity from the home loan guaranty program of the Veterans Administration and further anticipated improvement in the unusually weak mortgage market of the past 2 years. As a result of increased income from premiums and fees, receipts will exceed expenditures by $80 million in 1959. The higher costs of the expanded operations, however, require a supplemental increase in the operating expense limitations for 1958. To meet the prospective requirements for mortgage insurance, legislation will be proposed to increase the present statutory limit on outstanding insurance by a net amount of $3 billion for each of the next 5 years. In addition, authority will be requested to allow increases in the maximum interest rates on insured mortgages

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under the rental, cooperative, and armed services family housing programs, and thus make the rates on these loans more attractive to private lenders.

For 1959, budget expenditures of the Federal National Mortgage Association are estimated to exceed receipts by $139 million. This compares with an excess of receipts over expenditures of $188 million in 1957 and $61 million in 1958. The shift to sizable net expenditures results mainly from larger purchases under the special assistance program for urban renewal, armed services, and cooperative housing mortgages. Legislation is proposed to repeal the present statutory prohibition on purchases below par. This legislation, together with the proposed authority for increases in interest rates on several types of mortgages requiring extensive support, will encourage private financing and reduce future reliance on the Association. Substantial commitments, however, will be necessary to support the urban renewal program and increased commitments will be needed for the new housing program for the elderly. Nevertheless, because of the large balances remaining from the new obligational authority of $500 million provided for the special assistance functions in 1958, the new authority recommended for 1959 is only $90 million.

Net budget expenditures for the privately financed secondary market operations of the Federal National Mortgage Association will be limited in 1959 to an estimated $10 million for additional Treasury purchase of capital stock. Net receipts of $164 million are estimated for the management and liquidating activities. No new obligational authority is requested for either of these two major activities of the Association, in contrast to $400 million provided in 1957, and $965 million in 1958 for the secondary market operations.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Commerce and housing:						
515 Community development and facilities	$209,000	$356,275	$212,000	$40,886	$81,080	$88,768
516 Public housing programs	103,704	111,240	126,200	59,904	70,897	79,454
517 Other aids to housing	740,058	1,657,550	299,850	−124,166	54,698	286,455
521 Disaster insurance, loans, and relief	500,500			259	48	
Total, Housing and Home Finance Agency	1,553,262	2,125,064	638,050	−23,117	206,723	454,676

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise noted)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
OFFICE OF THE ADMINISTRATOR							
Current authorizations:							
Salaries and expenses	517	$6,225,000	$7,380,000	$8,850,000	$6,011,479	$7,000,000	$8,407,500
Limitation on use of nonadministrative funds from college housing, public facility loans, and urban renewal	517	(1,100,000)	(1,750,000)	(2,500,000)			
Urban planning grants	515	1,500,000	1,275,000	3,500,000	650,854	2,474,720	3,100,000
Farm housing research	517		75,000			75,000	
Permanent authorizations:							
Housing studies (contract authorization)	517	500,000	1,000,000	1,000,000			
Public enterprise funds:							
College housing:							
Operations, college housing loans fund (authorization to expend from debt receipts)	517	250,000,000	175,000,000		96,891,907	162,182,433	219,175,000
Limitation on administrative expenses, college housing loans	517	(1,100,000)	(1,377,000)	(1,675,000)			
Public facility loans:							
Operations, public facility loans (authorization to expend from debt receipts)	515				846,135	15,282,251	24,299,500
Limitation on administrative expenses, public facility loans	515	(368,000)	(400,000)	(550,000)			
Public works planning:							
Reserve of planned public works (payment to revolving fund) (current appropriation)	515	7,500,000	5,000,000	8,500,000	1,198,529	5,218,583	8,100,000
Public works planning fund	515						
Liquidating programs:							
Revolving fund (liquidating programs)	516						
Limitation on administrative expenses, revolving fund (liquidating programs)	516	(2,165,000)	(1,122,000)	(673,000)	−30,205,322	−20,275,562	−22,010,371
Limitation on nonadministrative expenses, revolving fund (liquidating programs)	516	(7,900,000)	(600,000)				
Urban renewal:							
Capital grants for slum clearance and urban renewal (liquidation of contract authorization)	515	(40,000,000)		(50,000,000)			
Urban renewal fund (capital grants) (permanent contract authorization)	515	200,000,000	350,000,000		38,190,446	58,104,615	53,268,000
Urban renewal fund (loans and planning advances)	515						
Community disposal operations: Community disposal operations fund	516				−7,921,805	−13,880,145	−15,030,495
Proposed for later transmission (under proposed legislation):							
College housing: Operations, college housing loans fund (authorization to expend from debt receipts)	517			200,000,000			
Urban renewal: Urban renewal fund (capital grants) (contract authorization)	515			200,000,000			
Total, Office of the Administrator		465,725,000	539,730,000	421,850,000	105,662,223	216,181,895	279,309,134
FEDERAL FLOOD INDEMNITY ADMINISTRATION							
Public enterprise funds:							
Investment in flood indemnity operations (authorization to expend from debt receipts)	521	500,000,000					
Administrative expenses (current appropriation)	521	500,000			258,510	47,500	
Total, Federal Flood Indemnity Administration		500,500,000			258,510	47,500	
FEDERAL NATIONAL MORTGAGE ASSOCIATION							
Public enterprise funds:							
Loans for secondary market operations	517	400,000,000	965,000,000		−41,247,495	−1,233,814	10,000,000
Special assistance functions fund	517	50,000,000	500,000,000		21,149,029	122,668,799	292,875,000
Management and liquidating functions fund	517				−168,208,259	−182,857,497	−164,000,000
Limitation on administrative expenses	517	(4,025,000)	(4,750,000)	(4,750,000)			
Proposed for later transmission (under proposed legislation):							
Special assistance functions fund (authorization to expend from debt receipts)	517			90,000,000			
Total, Federal National Mortgage Association		450,000,000	1,465,000,000	90,000,000	−188,306,725	−61,422,512	138,875,000
FEDERAL HOUSING ADMINISTRATION							
Public enterprise funds:							
Federal Housing Administration fund (permanent indefinite authorization to expend from debt receipts)	517	33,333,250	9,094,500		−38,762,287	−53,137,159	−80,002,600
Limitation on administrative expenses	517	(6,900,000)	(7,260,000)	(7,400,000)			
Limitation on nonadministrative expenses	517	(36,700,000)	(36,000,000)	(39,000,000)			
Proposed for later transmission (under existing legislation):							
Limitation on nonadministrative expenses	517		(2,000,000)				
Total, Federal Housing Administration		33,333,250	9,094,500		−38,762,287	−53,137,159	−80,002,600

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
PUBLIC HOUSING ADMINISTRATION							
Public enterprise funds:							
Administrative expenses (current appropriation)	516	$10,700,000	$11,440,000	$12,200,000			
Annual contributions (current appropriation)	516	93,000,000	95,000,000	114,000,000	$97,831,304	$100,294,633	$115,742,900
Low-rent public housing program fund (authorization to expend from debt receipts)	516	3,671					
Intragovernmental funds:							
Limitation on administrative expenses	516	(12,675,000)	(12,420,000)	(12,700,000)	199,818	−41,715	752,000
Limitation on nonadministrative expenses	516	(2,900,000)	(2,200,000)	(1,500,000)			
Proposed for later transmission (under existing legislation):							
Annual contributions (current appropriation)	516		4,800,000			4,800,000	
Total, Public Housing Administration		103,703,671	111,240,000	126,200,000	98,031,122	105,052,918	116,494,900
Total new obligational authority and budget expenditures		1,553,261,921	2,125,064,500	638,050,000	−23,117,157	206,722,642	454,676,434
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$119,425,000	$120,170,000	$147,050,000			
Appropriations to liquidate contract authorizations		(40,000,000)		(50,000,000)			
Authorizations to expend from debt receipts		1,200,000,000	1,640,000,000		−$23,117,157	$201,922,642	$454,676,434
Permanent authorizations:							
Authorizations to expend from debt receipts		33,336,921	9,094,500				
Contract authorizations		200,500,000	351,000,000	1,000,000			
Proposed for later transmission:							
Appropriations			4,800,000			4,800,000	
Authorizations to expend from debt receipts				290,000,000			
Contract authorizations				200,000,000			
Total new obligational authority and budget expenditures		1,553,261,921	2,125,064,500	638,050,000	−23,117,157	206,722,642	454,676,434

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
OFFICE OF THE ADMINISTRATOR										
College housing: Operations, college housing loans fund	517	$103,537	$172,657	$236,825	$6,645	$10,475	$17,650	$96,892	$162,182	$219,175
Public facility loans: Operations, public facility loans	515	910	15,736	25,609	64	454	1,310	846	15,282	24,299
Public works planning: Public works planning fund	515	1,306	5,719	9,600	108	500	1,500	1,198	5,219	8,100
Liquidating programs: Revolving fund (liquidating programs)	516	7,468	4,573	673	37,673	24,849	22,683	−30,205	−20,276	−22,010
Urban renewal:										
Capital grants for slum clearance and urban renewal (liquidation of contract authorization)	515	63,044	126,780	150,281	24,854	68,675	97,013	38,190	58,105	53,268
Urban renewal fund (capital grants)										
Urban renewal fund (loans and planning advances)										
Community disposal operations fund	516	7,336	16,821	10,334	15,258	30,701	25,364	−7,922	−13,880	−15,030
FEDERAL FLOOD INDEMNITY ADMINISTRATION										
Administrative expenses	521	259	48					259	48	
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Loans for secondary market operations	517	922,722	590,000	345,000	963,969	591,234	335,000	−41,247	−1,234	10,000
Special assistance functions fund	517	24,438	137,300	334,675	3,289	14,631	41,800	21,149	122,669	292,875
Management and liquidating functions fund	517	109,046	83,008	84,125	277,254	265,865	248,125	−168,208	−182,857	−164,000
FEDERAL HOUSING ADMINISTRATION										
Federal Housing Administration fund	517	132,264	133,879	130,026	171,026	187,016	210,029	−38,762	−53,137	−80,003
PUBLIC HOUSING ADMINISTRATION										
Low-rent public housing program fund	516	353,887	505,064	629,922	256,056	404,769	514,179	97,831	100,295	115,743
Total, public enterprise funds		1,726,217	1,791,585	1,957,070	1,756,196	1,599,169	1,514,653	−29,979	192,416	442,417

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OFFICE OF THE ADMINISTRATOR											
Current authorizations:											
Salaries and expenses		$372		$435		$815	$8,850	$7,987	$420		$1,258
Urban planning grants	$2,371	2,726	$2,191	3,575		2,375	3,500	725	2,375		2,775
Permanent authorizations:											
Housing studies (contract authorization)			500	500	$1,500	1,500	1,000			$2,500	2,500
Public enterprise funds:											
Operations, college housing loans fund:											
Cash		3,784		18,637		21,454			219,175		24,279
Authorization to expend from debt receipts	298,717	383,888	341,538	522,143	260,347	532,144					310,144
Operations, public facility loans:											
Cash	97	370		424		1,142			24,300		1,842
Authorization to expend from debt receipts	99,500	99,500	88,357	98,600	67,632	82,600				37,371	57,600
Public works planning fund	3,398	4,385	5,435	10,687	935	10,468	8,500		8,100	685	10,868
Revolving fund (liquidating programs)	23,145	24,212	18,438	19,043	12,435	10,052			−22,010	8,722	[1] 7,062
Urban renewal fund:											
Cash		59,144		65,953		17,849			53,268		14,581
Contract authorization	497,449	583,000	638,734	743,000	787,234	1,093,000				545,634	1,043,000
Authorization to expend from debt receipts	800,871	952,000	682,869	947,000	521,474	937,000				329,849	937,000
Community disposal operations fund		57	1,646	1,978	835	1,859			−15,030	1,724	[2] 1,889
Proposed for later transmission:											
Operations, college housing loans fund (authorization to expend from debt receipts)							200,000			198,897	200,000
Urban renewal capital grants (contract authorization)							200,000			200,000	200,000
Total, Office of the Administrator	1,725,548	2,113,438	1,779,708	2,431,975	1,652,392	2,712,258	421,850	8,712	270,598	1,325,382	2,814,798
FEDERAL FLOOD INDEMNITY ADMINISTRATION											
Public enterprise funds:											
Investment in flood indemnity operations (authorization to expend from debt receipts)			500,000	500,000	500,000	500,000				500,000	500,000
Administrative expenses				51							
Total, Federal Flood Indemnity Administration			500,000	500,051	500,000	500,000				500,000	500,000
FEDERAL NATIONAL MORTGAGE ASSOCIATION											
Public enterprise funds:											
Loans for secondary market operations (authorization to expend from debt receipts)	905,519	905,519	1,346,766	1,346,766	2,313,000	2,313,000			10,000	2,303,000	2,303,000
Special assistance functions fund:											
Cash		21		314		200			292,875		[3] 200
Authorization to expend from debt receipts	530,336	549,573	239,178	575,374	251,397	944,374				44,157	[4] 635,174
Management and liquidating functions fund:											
Cash and U. S. securities		11,731	23,339	36,589	35,837	66,446			−164,000	40,902	76,446
Authorization to expend from debt receipts	17,925	17,944	274	274							(5)
Proposed for later transmission:											
Special assistance functions fund (authorization to expend from debt receipts)							90,000			1,608	90,000
Total, Federal National Mortgage Association	1,453,780	1,484,788	1,609,557	1,959,317	2,600,234	3,324,020	90,000		138,875	2,389,667	3,104,820
FEDERAL HOUSING ADMINISTRATION											
Public enterprise funds:											
Federal Housing Administration fund	363,068	449,060	434,680	521,155	504,873	583,387			−80,003	587,738	[6] 654,293

See footnotes at end of table, p. 263.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
PUBLIC HOUSING ADMINISTRATION											
Public enterprise funds:											
Low-rent public housing program fund:											
Cash	----------	$29,862	----------	$32,905	----------	$38,129	$126,200	$126,200	−$10,457	----------	[7] $47,500
Authorization to expend from debt receipts	$594,332	1,462,000	$548,146	1,459,000	$396,924	1,459,000				$377,006	1,459,000
Intragovernmental funds:											
Limitation on administrative and nonadministrative expenses	----------	910	----------	710	----------	752	----------	----------	752	----------	----------
Total, Public Housing Administration	594,332	1,492,772	548,146	1,492,615	396,924	1,497,881	126,200	126,200	−9,705	377,006	1,506,500
Total, Housing and Home Finance Agency	4,136,728	5,540,058	4,872,091	6,905,113	5,654,423	8,617,546	638,050	134,912	319,765	5,179,793	8,580,411
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$2,371	$3,098	$2,191	$4,010	----------	$3,190				----------	$4,033
Authorizations to expend from debt receipts	3,610,268	4,819,484	4,181,808	5,970,312	$4,815,647	7,351,505				$4,179,121	[8] 6,856,211
Contract authorizations	497,449	583,000	639,234	743,500	788,734	1,094,500	$148,050	$134,912	$319,765	548,134	1,045,500
Revolving and management funds:											
Public enterprise funds	26,640	133,566	48,858	186,581	50,042	167,599				52,033	[9] 184,667
Intragovernmental funds	----------	910	----------	710	----------	752				----------	----------
Proposed for later transmission:											
Authorizations to expend from debt receipts	----------	----------	----------	----------	----------	----------	490,000	----------	----------	200,505	290,000
Contract authorizations	----------	----------	----------	----------	----------	----------				200,000	200,000
Total, Housing and Home Finance Agency	4,136,728	5,540,058	4,872,091	6,905,113	5,654,423	8,617,546	638,050	134,912	319,765	5,179,793	8,580,411

[1] Excludes capital transfer (repayment of investment to Treasury) in 1959 of $25,000 thousand.

[2] Excludes capital transfer (repayment of investment to Treasury) in 1959 of $15,000 thousand.

[3] Excludes capital transfer (payment of dividend to Treasury) in 1959 of $5,125 thousand.

[4] Excludes unobligated balance no longer available (authorization to expend from debt receipts) in 1959 of $11,200 thousand.

[5] Excludes unobligated balance no longer available (authorization to expend from debt receipts) in 1959 of $154,000 thousand.

[6] Excludes net debentures retired (authorization to expend from debt receipts) in 1959 of $9,097 thousand.

[7] Excludes capital transfer (payment of property receipts to Treasury) in 1959 of $1,086 thousand.

[8] Excludes amounts no longer available in 1959 of $174,297 thousand.

[9] Excludes capital transfers in 1959 of $46,211 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$3,098	$4,010	$3,190
Authorizations to expend from debt receipts	4,819,484	5,970,312	7,351,505
Contract authorizations	583,000	743,500	1,094,500
Revolving and management funds	134,476	187,291	168,351
Total balances brought forward	5,540,058	6,905,113	8,617,546
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	119,425	120,170	147,050
Appropriations to liquidate contract authorizations	(40,000)		(50,000)
Authorizations to expend from debt receipts	1,200,000	1,640,000	
Total new obligational authority under current authorizations	1,319,425	1,760,170	147,050
Permanent authorizations:			
Authorizations to expend from debt receipts	33,337	9,094	
Contract authorizations	200,500	351,000	1,000
Total new obligational authority under permanent authorizations	233,837	360,094	1,000
Total new obligational authority enacted or recommended	1,553,262	2,120,264	148,050
Proposed for later transmission:			
Appropriations		4,800	
Authorizations to expend from debt receipts			290,000
Contract authorizations			200,000
Total new obligational authority proposed for later transmission		4,800	490,000
Total new obligational authority	1,553,262	2,125,064	638,050
Other amounts available:			
Net transfers of balances from or to (—) other agencies	—375	2,733	
Adjustment of balances upward in expired accounts, net	24,859		
Total other amounts available	24,484	2,733	
Total budget authorizations available	7,117,804	9,032,910	9,255,596
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	—23,117	201,923	134,912
Out of balances of prior obligational authority			319,765
Total expenditures from obligational authority enacted or recommended	N23,117	201,923	454,676
From obligational authority proposed for later transmission: Out of new obligational authority		4,800	
Total budget expenditures	—23,117	206,723	454,676
Amounts no longer available:			
Unobligated balances expiring and lapsing	193,183	159,277	174,297
Capital transfers from revolving funds to receipt accounts	42,626	49,366	46,211
Total amounts no longer available	235,809	208,643	220,508
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	4,010	3,190	4,033
Authorizations to expend from debt receipts	5,970,312	7,351,505	6,856,211
Contract authorizations	743,500	1,094,500	1,045,500
Revolving and management funds	187,291	168,351	184,667
Proposed for later transmission:			
Authorizations to expend from debt receipts			290,000
Contract authorizations			200,000
Total balances carried forward at close of year	6,905,113	8,617,546	8,580,411
Obligations incurred, net	$581,715	$1,136,719	$892,172

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OFFICE OF THE ADMINISTRATOR

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Office of the Administrator, including rent in the District of Columbia; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed [$340,000] *$472,000* for expenses of travel; and expenses of attendance at meetings of organizations concerned with the work of the Agency; [$6,930,000] *$8,850,000*: *Provided*, That necessary expenses of inspections and of providing representatives at the site of projects being planned or undertaken by local public agencies pursuant to title I of the Housing Act of 1949, as amended, projects financed through loans to educational institutions authorized by title IV of the Housing Act of 1950, as amended, and projects and facilities financed by loans to public agencies pursuant to title II of the Housing Amendments of 1955, as amended, shall be compensated by such agencies or institutions by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and expenses for such purpose shall be considered nonadministrative; and for the purpose of providing such inspections, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such institutions, or the Administrator, and shall credit such amounts to the appropriations or funds against which such charges have been made, but such nonadministrative expenses shall not exceed [$1,750,000] *$2,500,000*.

[For an additional amount for "Salaries and expenses", $450,000; and the limitation under this head in the Independent Offices Appropriation Act, 1958, on the amount available for expenses of travel, is increased from "$340,000" to "$375,000".] *(5 U. S. C. 133y–16; 42 U. S. C. 1451; 12 U. S. C. 1749; Independent Offices Appropriation Act, 1958; Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$7,380,000** Estimate 1959, **$8,850,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General agency supervision	$1,143,736	$1,200,000	$1,150,000
2. Consolidated compliance activities	515,727	578,000	590,000
3. Voluntary home mortgage credit	487,319	450,000	425,000
4. Community disposition activities	539,244	718,000	600,000
5. Community facilities program:			
(*a*) Public works planning advances	336,390	443,000	500,000
(*b*) College housing loans	1,018,483	1,377,000	1,675,000
(*c*) Public facility loans	268,515	400,000	550,000
(*d*) Liquidating activities	210,793	142,000	173,000
(*e*) School construction	785,753	892,547	850,000
(*f*) Project inspection and audit	319,657	657,000	900,000
6. Urban renewal program:			
(*a*) Urban renewal activities	3,628,965	4,709,000	6,085,000
(*b*) Project inspection and audit	590,581	1,100,000	1,600,000
7. Defense planning activities	46,540		100,000
8. Farm housing research		15,000	
9. Miscellaneous services performed for other agencies	6,480		
Total obligations	9,898,183	12,681,547	15,198,000
Financing:			
Advances and reimbursements from other accounts	−3,792,430	−5,301,547	−6,348,000
Unobligated balance no longer available	119,247		
Appropriation (new obligational authority)	6,225,000	7,380,000	8,850,000

The Administrator supervises and coordinates the housing programs and functions of the Agency. He is also responsible for several activities which are administered by the constituents of the Agency under delegations of authority from the Administrator. These include: Slum clearance and urban renewal and urban planning assistance which have been delegated to the Urban Renewal Commissioner; the programs of public works planning, college housing loans, public facility loans, and certain liquidating activities which have been delegated to the Community Facilities Commissioner; and the servicing of a portfolio of mortgages taken in connection with the disposition of publicly financed war and veteran housing construction under the Lanham and related acts which has been delegated to the Public Housing Commissioner. The Administrator serves as chairman of the board of directors of the Federal National Mortgage Association. He also serves as Chairman of the National Voluntary Mortgage Credit Extension Committee and provides staff assistance to the national committee and regional committees through which the voluntary home mortgage credit program operates.

The appropriation requested for 1959 is $8,850,000. This amount is an increase of $1,470,000 compared with the total amount available for 1958. The need for the larger appropriation stems from continuing expansion of present programs, particularly in the field of urban renewal.

2. *Consolidated compliance activities.*—Provision is made for the consolidated investigation and compliance staff to serve the entire Agency.

3. *Voluntary home mortgage credit.*—Provision is made for staff assistance to the national committee and regional committees engaged in a program to facilitate the flow of funds for FHA-insured and VA-guaranteed home mortgage loans into areas of shortage and for minority housing financing.

4. *Community disposition activities.*—For detail of this activity, see community disposal operations fund under public enterprise funds.

5. *Community facilities programs.*—(*a*), (*b*), (*c*), (*d*). For detail of activities of these programs, see public enterprise funds.

(*e*) *School construction.*—The Housing and Home Finance Administrator, under a working agreement with the Commissioner of Education, performs certain technical services in connection with the program of school construction. Funds appropriated to the Office of Education are transferred to the Administrator for this purpose.

(*f*) *Project inspection and audit.*—Provision is made for construction progress inspections and financial audits of college housing and public facility projects. The costs of these activities are recovered by the Government through fees.

6. (*a*) *Urban renewal activities.*—For detail of activities for this program see urban renewal fund under public enterprise funds.

(*b*) *Project inspection and audit.*—Provision is made for construction progress inspections and financial audits of slum clearance and urban renewal projects being planned or undertaken by local public agencies, including audit of relocation payments made to displaced families and businesses. The costs of these activities are recovered by the Government through fees.

7. *Defense planning activities.*—Provision is made for carrying out certain of the Administrator's responsibilities for the development and administration of civil defense and defense mobilization preparedness measures. These functions stem from delegations and supplementary assignments issued by the Office of Defense Mobilization and the Federal Civil Defense Administration.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,467	1,650	2,000
Average number of all employees	1,228	1,533	1,818
Number of employees at end of year	1,426	1,600	1,950
Average GS grade and salary	8.7 $6,503	8.7 $6,587	8.9 $6,632
01 Personal services:			
Permanent positions	$8,097,021	$10,045,000	$11,923,000
Other personal services	47,901	102,000	127,000
Total personal services	8,144,922	10,147,000	12,050,000
02 Travel	587,985	787,000	1,028,000
03 Transportation of things	23,437	25,000	31,000

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OFFICE OF THE ADMINISTRATOR—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
04	Communication services	$214,069	$266,900	$330,000
05	Rents and utility services	144,792	224,000	241,000
06	Printing and reproduction	118,398	132,200	150,000
07	Other contractual services	212,763	214,600	233,000
	Services performed by other agencies	60,217	51,000	57,000
08	Supplies and materials	90,364	112,000	125,500
09	Equipment	272,226	101,000	187,000
11	Grants, subsidies, and contributions		587,700	717,700
13	Refunds, awards, and indemnities	12,367	16,500	25,000
15	Taxes and assessments	16,643	16,647	22,800
	Total obligations	9,898,183	12,681,547	15,198,000

LIMITATION ON USE OF NONADMINISTRATIVE FUNDS FROM COLLEGE HOUSING, PUBLIC FACILITY LOANS, AND URBAN RENEWAL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to consolidated administrative expense account (total obligations)	$895,491	$1,750,000	$2,500,000
Financing:			
Unobligated balance no longer available	204,509		
Limitation	1,100,000	1,750,000	2,500,000

These funds are used for activities described under "Salaries and expenses," in paragraphs 5 (f) and 6 (b).

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$895,491	$1,750,000	$2,500,000

URBAN PLANNING GRANTS

[Urban planning grants:] For grants [to State, regional, and metropolitan area planning bodies] in accordance with the provisions of section 701 of the Housing Act of 1954, as amended, [$1,275,000] *$3,500,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$1,275,000** Estimate 1959, **$3,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants to planning agencies (total obligations)	$1,679,920	$3,465,874	$3,500,000
Financing:			
Unobligated balance brought forward	−2,370,794	−2,190,874	
Unobligated balance carried forward	2,190,874		
Appropriation (new obligational authority)	1,500,000	1,275,000	3,500,000

The Housing Act of 1954 authorized $5,000,000 in matching grants to State, metropolitan, or regional planning agencies to help finance surveys, land-use studies, and urban renewal plans in small cities and metropolitan or regional areas. The Housing Act of 1956 increased the authorization for appropriations to $10,000,000. An aggregate of $5,775,000 has been appropriated to date and the budget program contemplates the appropriation of an additional $3,500,000.

An estimated 250 projects will be approved by the end of 1959, of which 86 will have been completed.

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$1,679,920	$3,465,874	$3,500,000

[FARM HOUSING RESEARCH]

[To carry out the provisions of section 603 of the Housing Act of 1957 for farm housing research to be conducted by land-grant colleges through grants for research, study, and analysis, $75,000.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$75,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Farm housing research		$75,000	
Financing:			
Appropriation (new obligational authority)		75,000	

The Housing Act of 1957 provided for a program of farm housing research not exceeding $300,000 during either 1958 or 1959. An appropriation of $75,000 was provided for 1958. No appropriation is proposed for 1959.

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services		$60,000	
	Payment to consolidated administrative expense account		15,000	
	Total obligations		75,000	

Permanent authorizations:

HOUSING STUDIES (CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward: Contract authorization		−$500,000	−$1,500,000
Unobligated balance carried forward: Contract authorization	$500,000	1,500,000	2,500,000
Contract authorization (new)	500,000	1,000,000	1,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year		$500,000	$1,500,000
Contract authorization (new)	$500,000	1,000,000	1,000,000
Unfunded balance at end of year	−500,000	−1,500,000	−2,500,000
Appropriation to liquidate contract authorization			

The Housing Act of 1956 provided $2,500,000 in contract authorization for a program of housing studies with emphasis on problems of housing need, demand, and supply. No program activity is proposed in the budget.

CORPORATIONS AND AGENCIES

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commit-

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ments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1958] *1959* for each such corporation or agency, except as hereinafter provided:

Public enterprise funds:

COLLEGE HOUSING

OPERATIONS, COLLEGE HOUSING LOANS FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Loan reservations issued (net):			
(*a*) College housing	$207,705,513	$183,513,354	$29,333,759
(*b*) College service facilities	41,217,487	26,486,646	----------
(*c*) Housing for student nurses and interns	----------	25,000,000	----------
Total reservations issued (net)	248,923,000	235,000,000	29,333,759
Reservations at beginning of year	215,616,000	256,217,000	233,563,000
Reservations at close of year (−)	−256,217,000	−233,563,000	----------
Loan commitments	208,322,000	257,654,000	262,896,759
2. Interest on borrowings	3,808,943	7,000,000	12,300,000
3. Administrative expense	1,018,483	1,377,000	1,675,000
4. Other expense	338,630	635,000	850,000
Total program (obligations)	213,488,056	266,666,000	277,721,759
Financing:			
Amounts becoming available (authorization to expend from public debt receipts)	250,000,000	175,000,000	----------
Revenue and receipts:			
Loan repayments	1,618,000	2,000,000	3,000,000
Revenue	4,690,320	8,475,000	14,375,000
Total amounts becoming available	256,308,320	185,475,000	17,375,000
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved	215,616,000	256,217,000	233,563,000
Unreserved	83,101,495	85,320,759	26,783,759
Total amounts available	555,025,815	527,012,759	277,721,759
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved	−256,217,000	−233,563,000	----------
Unreserved	−85,320,759	−26,783,759	----------
Financing applied to program	213,488,056	266,666,000	277,721,759

The college housing program provides long-term loans at low interest rates to finance housing and related facilities under the Housing Act of 1950, as amended (12 U. S. C. 1749). The program is funded by a Treasury borrowing authorization initially limited to $300 million by the original legislation but increased by subsequent amendments to $925 million. Not to exceed $100 million of the total authorization is available for related facilities such as dining facilities and student unions. The Housing Act of 1957 extended eligibility to hospital-connected housing for interns, and for nursing schools at above the high school level, to the amount of $25 million. Under the interest formula fixed by the Housing Amendments of 1955—the higher of 2.75% or 0.25% above the average rate on the outstanding public debt—the loan rate for the current year is 3%.

Budget program.—The budget program for the college housing program contemplates the enactment of proposed legislation providing additional authority to borrow from the Treasury of $200 million. The total program for the budget year, in terms of net new reservations of loan funds, will accordingly total $225 million, $25 million of which will be financed from the unreserved balance brought forward from 1958 and the remainder from the proposed new authority. The budget schedules for the authority to be provided by proposed legislation are shown at the end of this section.

Proposed legislation will also include provision for (*a*) higher and more flexible interest rates and (*b*) Federal guaranties of private loans to educational institutions. Guaranties are expected to increase aggregate funds available for college housing by enabling a significant number of colleges and universities to market their housing bonds privately at reasonable interest rates.

It is estimated that reservations in the current year will fully utilize the funds available under the $100 million limitation for loans for self-liquidating college service facilities and the $25 million limitation for loans for housing for student nurses and interns. No increase in these limitations is proposed. This will permit a substantial increase in 1959 in the amounts available for student and faculty housing.

Preliminary applications under all three activities are filed to determine eligibility and feasibility before the costly process of detailed physical and financial planning is undertaken. If approved, a fund reservation is issued effectively committing funds to assure availability on satisfactory completion of a full application. The net amounts of program reservations issued are used to control the volume of applications processed within limitations. Applications have been averaging about $1 million, and in terms of workload, the reservation level shown will involve the following activity:

	1957 actual	*1958 estimate*	*1959 estimate*
Preliminary applications received	318	386	320
Withdrawn or rejected	49	55	45
Reservations issued	270	277	240
On hand, close of year	63	117	152

The bulge in activity during the current year is caused by the forecast receipt of 60 applications averaging $0.5 million under the hospital dormitory limitation and approval of 50 of these smaller reservations.

Reservations are converted into loan contracts after detailed planning, filing of a full loan application, and Agency review. Program policies are designed to assure the soundness of loans without interfering with the applicant's operations as an educational institution. Loan contracts are estimated at $264 million in the budget year. In terms of caseload, the following activity is involved:

	1957 actual	*1958 estimate*	*1959 estimate*
Withdrawn or rejected	32	36	20
Loans approved	201	270	260
Reservations outstanding and applications on hand, close of year	224	195	155

Loans approved include an estimated 30 hospital-connected cases in 1958 and 20 in 1959.

After execution of the loan contracts, the institutions proceed with final plans and specifications, award of construction contracts, and preparation of bond indentures.

Financing.—Actual borrowings from Treasury are expected to aggregate $222 million to fund an equal amount of loan disbursements. Borrowers generally are able to finance much of the construction period with bank loans or other available funds, and the purchase of bonds is delayed until construction is well advanced. In terms of projects, the following activity is projected:

	1957 actual	*1958 estimate*	*1959 estimate*
Construction starts	142	221	296
Substantial completions	70	154	227
Bond issues awarded to Government	108	182	250

The purchase of bonds is the principal factor in the $219.3 million of budget expenditures.

Operating results and financial condition.—Administrative and other costs continue to outrun revenue from interest earnings during the period. In 1959, the interest earnings are estimated to net about $1.3 million from an average bond portfolio of $480 million, while administrative costs must cover the initiation of $225 million in new project reservations, loan commitments amounting to

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

COLLEGE HOUSING—Continued

OPERATIONS, COLLEGE HOUSING LOANS FUND—continued

$263 million, and activity in connection with an average of some $300 million of projects under construction. The net operating loss of $450,000 is increased to $924,000 by an allowance for losses at the rate of 0.25% of loan disbursements.

The cumulative deficit, including an allowance for losses totaling $1.4 million, is expected to reach $3 million at the close of 1959. This condition is not considered to warrant concern at this time in view of the heavy program expansion in recent years and the rapidly expanding portfolio earnings base.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$98,370,600	$163,000,000	$222,000,000
Expense	5,166,056	9,012,000	14,825,000
Increase in selected working capital		645,433	
Total gross expenditure	103,536,656	172,657,433	236,825,000
Receipts from operations (funds provided):			
Loans repaid	1,618,000	2,000,000	3,000,000
Revenue	4,690,320	8,475,000	14,375,000
Decrease in selected working capital	336,429		275,000
Total receipts from operations	6,644,749	10,475,000	17,650,000
Budget expenditures	96,891,907	162,182,433	219,175,000

Revenue, Expense, and Retained Earnings

Revenue	$4,690,320	$8,475,000	$14,375,000
Expense	5,405,166	9,421,870	15,299,000
Net operating income or loss (−)	−714,846	−946,870	−924,000
Deficit (−), beginning of year	−432,525	−1,147,371	−2,094,241
Deficit (−), end of year	−1,147,371	−2,094,241	−3,018,241

Financial Condition

Assets:			
Cash with Treasury and in banks	$18,636,702	$21,454,269	$24,279,269
Accounts receivable, net	35,625	50,000	60,000
Loans receivable, net	208,800,470	369,390,600	587,916,600
Accrued interest receivable, net	1,782,569	4,500,000	7,600,000
Total assets	229,255,366	395,394,869	619,855,869
Liabilities:			
Current	2,546,188	4,632,561	8,017,561
Government investment:			
Interest-bearing capital:			
Start of year	116,111,677	227,856,549	392,856,549
Borrowings from Treasury during year, net	111,744,872	165,000,000	222,000,000
End of year	227,856,549	392,856,549	614,856,549
Deficit (−)	−1,147,371	−2,094,241	−3,018,241
Total Government investment	226,709,178	390,762,308	611,838,308

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$3,783,737	$18,636,702	$21,454,269	$24,279,269
Budget authorizations	383,888,323	522,143,451	532,143,451	310,143,451
Total unexpended balance	387,672,060	540,780,153	553,597,720	334,422,720
Obligated balance, net:				
Current liabilities	1,389,402	2,546,188	4,632,561	8,017,561
Undisbursed loan obligations	88,563,000	198,514,400	293,168,400	334,065,159
Accounts and accrued interest receivable, net (−)	−997,837	−1,818,194	−4,550,000	−7,660,000
Total obligated balance	88,954,565	199,242,394	293,250,961	334,422,720
Unobligated balance	298,717,495	341,537,759	260,346,759	

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, COLLEGE HOUSING LOANS

[Office of the Administrator, college housing loans:] Not to exceed [$1,377,000] *$1,675,000* shall be available for all administrative expenses, which shall be on an accrual basis, of carrying out the functions of the Office of the Administrator under the program of housing loans to educational institutions (title IV of the Housing Act of 1950, as amended, 12 U. S. C. 1749–1749d), but this amount shall be exclusive of payment for services and facilities of the Federal Reserve banks or any member thereof, the Federal home-loan banks, and any insured bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, as amended, 12 U. S. C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States: *Provided*, That not to exceed [$42,000] *$65,000* shall be available for expenses of travel. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to consolidated administrative expense account (total obligations)	$1,018,483	$1,377,000	$1,675,000
Financing:			
Unobligated balance no longer available	81,517		
Limitation	1,100,000	1,377,000	1,675,000

Object Classification

07	Other contractual services: Payment to consolidated administrative expense account	$1,018,483	$1,377,000	$1,675,000

PUBLIC FACILITY LOANS

OPERATIONS, PUBLIC FACILITY LOANS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
1. Loan commitments, net	$10,969,900	$20,400,000	$30,000,000
2. Interest on borrowings	6,565	257,000	890,000
3. Administrative expenses	268,515	400,000	550,000
4. Other expense	1,840	79,000	131,500
Total program (obligations)	11,246,820	21,136,000	31,571,500
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan repayments			50,000
Revenue	6,758	411,000	1,260,000
Total amounts becoming available	6,758	411,000	1,310,000
Unobligated balance brought forward: Cash	97,390		
Authorization to expend from public debt receipts	99,500,000		
Total amounts available	99,604,148	88,768,328	68,942,328
Unobligated balance carried forward (authorization to expend from public debt receipts)	−88,357,328	−67,632,328	−37,370,828
Financing applied to program	11,246,820	21,136,000	31,571,500

Loans to local governmental units for essential public works or facilities are made under the $100 million authorization provided by the Housing Amendments of 1955 (65 Stat. 635, 642). Statutory priority is extended to loans (1) to communities of less than 10,000 population and (2) for water, sewage, and gas-distribution systems. Loans are restricted to a maximum 40-year term and to applicants unable to obtain funds from other sources at reasonable rates.

Budget program.—Over 85% of the applications approved to date have been to finance water and sewer facilities. Excluding a few utility districts and newly created public bodies for which census data is not available, over 90% of the applicants have been governmental units of less than 5,000 population. In general, these com-

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munities have little or no technical staff or experience in planning, construction and operating public facilities, and many have never before sold a bond issue or acquired any performance rating on such undertakings. Loans made under the program average $200,000 to $250,000. Subsequent to applying for a Federal loan, some applicants obtain private financing, thereby reducing the total loan commitment.

The number of cases involved in the loan commitments shown on the program and financing schedule is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Applications received	151	170	225
Attrition before approval	23	40	55
Approvals (gross)	58	90	140
Applications on hand at year end	95	135	165

Interest rates on loans have been changed from time to time to meet the changes in a number of long-term municipal bond indices and in U. S. Government bonds. Initially established at 3.75% for general obligation bonds, and 4.25% for revenue issues, the rates have been increased with the general rise in interest rates to the most recent level for 30-year maturities of 4.5% for general obligations and 5% for revenue securities.

Financing.—The program is financed by Treasury borrowing authority of $100 million. Since the net interest margin on the comparatively small loan portfolio is inadequate to cover administrative costs at this stage in the program, obligations against the borrowing authorization slightly exceed total loan commitments in each of these years. By the close of 1959, $62 million out of the total authorization is expected to be committed.

Operating results.—Expenses include a $120,000 increase in the allowance for losses at the rate of 0.5% on loans disbursed, administrative costs of $550,000, and loan servicing costs amounting to $6,500. Net interest earnings of $245,000 accrue from the approximate 1% margin between the average loan rates and the rates paid on Treasury borrowings. The cumulative deficit of $1.2 million at the close of the year is not considered to be disturbing at this early stage in the program. Budget expenditures, principally determined by loan disbursements, lag behind commitments and amount to an estimated $24.3 million for the budget year.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$633,316	$15,000,000	$24,000,000
Expense	276,920	736,000	1,571,500
Increase in selected working capital			38,000
Total gross expenditure	910,236	15,736,000	25,609,500
Receipts from operations (funds provided):			
Loans repaid			50,000
Revenue	6,758	411,000	1,260,000
Decrease in selected working capital	57,343	42,749	
Total receipts from operations	64,101	453,749	1,310,000
Budget expenditures	846,135	15,282,251	24,299,500

Revenue, Expense, and Retained Earnings

Revenue	$6,758	$411,000	$1,260,000
Expense	279,255	811,665	1,691,500
Net operating loss (−)	−272,497	−400,665	−431,500
Deficit (−), beginning of year	−104,610	−377,107	−777,772
Deficit (−), end of year	−377,107	−777,772	−1,209,272

Financial Condition

Assets:			
Cash with Treasury and in banks	$423,865	$1,141,614	$1,842,114
Accounts receivable, net	16,621	251,000	688,000
Loans receivable, net	630,981	15,555,316	39,385,316
Total assets	1,071,467	16,947,930	41,915,430

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$48,574	$325,702	$724,702
Government investment:			
Interest-bearing capital:			
Start of year	500,000	1,400,000	17,400,000
Borrowings from Treasury during year, net	900,000	16,000,000	25,000,000
End of year	1,400,000	17,400,000	42,400,000
Deficit (−)	−377,107	−777,772	−1,209,272
Total Government investment	1,022,893	16,622,228	41,190,728

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$370,000	$423,865	$1,141,614	$1,842,114
Budget authorizations	99,500,000	98,600,000	82,600,000	57,600,000
Total unexpended balance	99,870,000	99,023,865	83,741,614	59,442,114
Obligated balance, net:				
Current liabilities	1,242	48,574	325,702	724,702
Undisbursed loan obligations	298,000	10,634,584	16,034,584	22,034,584
Accounts receivable, net (−)	−26,632	−16,621	−251,000	−688,000
Total obligated balance	272,610	10,666,537	16,109,286	22,071,286
Unobligated balance	99,597,390	88,357,328	67,632,328	37,370,828

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, PUBLIC FACILITY LOANS

[Office of the Administrator, public facility loans:] Not to exceed [$400,000] *$550,000* of funds in the revolving fund established pursuant to title II of the Housing Amendments of 1955, as amended, shall be available for administrative expenses, but this amount shall be exclusive of payment for services and facilities of the Federal Reserve banks or any member thereof, the Federal home-loan banks, and any insured bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, as amended, 12 U. S. C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to consolidated administrative expense account (total obligations)	$268,515	$400,000	$550,000
Financing:			
Unobligated balance no longer availiable	99,485		
Limitation	368,000	400,000	550,000

Object Classification

07 Other contractual services: Payment to consolidated administrative expense account	$268,515	$100,000	$550,000

Public Works Planning

RESERVE OF PLANNED PUBLIC WORKS (PAYMENT TO REVOLVING FUND)

[Reserve of planned public works (payment to revolving fund):] For payment to the revolving fund established pursuant to section 702 of the Housing Act of 1954, as amended (40 U. S. C. 462), [$5,000,000] *$8,500,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$5,000,000** Estimate 1959, **$8,500,000**

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

PUBLIC WORKS PLANNING—Continued

PUBLIC WORKS PLANNING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Commitments for planning advances (total program obligations)	$5,570,914	$10,000,000	$10,250,000
Financing:			
Amounts becoming available:			
Collection of advances	107,726	500,000	1,500,000
Appropriation	7,500,000	5,000,000	8,500,000
Total amounts becoming available	7,607,726	5,500,000	10,000,000
Unobligated balance brought forward	3,398,392	5,435,204	935,204
Total amounts available	11,006,118	10,935,204	10,935,204
Unobligated balance carried forward	−5,435,204	−935,204	−685,204
Financing applied to program	5,570,914	10,000,000	10,250,000

A program of interest-free advances to State and local public agencies for the planning of local public works was authorized by the Housing Act of 1954, and revisions were made by the Housing Amendments of 1955.

Budget program.—The program is intended to further a constant high level of public works construction by financing a reserve of well-planned projects. Almost all communities today face increasing demands for new public works to cope with the needs of the growing population, or to renew and enlarge existing facilities to provide adequate services. A construction potential of $460 million has been made ready by the $7 million in advances approved up to the beginning of the current year, and the advances contemplated in 1958 and 1959 would raise the cumulative total of planned projects to nearly $1.8 billion.

In 1956, 194 applications were received. The number of applications more than doubled in 1957. Further increases in demand and program progress are expected as shown in the following caseload tabulation:

	1957 actual	*1958 estimate*	*1959 estimate*
Applications	416	550	650
Approvals (net)	237	340	350
Applications on hand at end of year	181	238	368
Plans completed	118	200	340
Advances repaid	7	30	60

Advances are made only to State and local governing units having the authority to conduct planning and to finance and construct the specific facility to be planned. In accordance with the statutory requirement that the proposed projects must be ones to be built within a reasonable period of time, assurance is required that the applicant expects to start construction within a maximum of 5 years. Over 70% of the applications to date have come from local governmental units of less than 50,000 population, and nearly 80% of the applications are for water, sewer, and educational facilities.

Financing.—The program is financed by a revolving fund to which appropriations are authorized by steps totaling $48 million by the beginning of 1959, the fund to be subsequently maintained at this level in undisbursed balances and outstanding active advances. A total of $17 million has been appropriated through the beginning of the current fiscal year. Repayment of advances is required when construction begins.

Repayments in a steeply rising trend are expected, but will not within this 3-year period provide a substantial source of financing for new commitments. An appropriation of $8.5 million is requested for 1959, bringing cumulative appropriations to $25.5 million of the $48 million authorized fund level.

Operating results.—Since the planning advances are interest-free (except as to repayments which become delinquent), the program has no revenue. Losses will occur when it becomes evident that projects will not be constructed due to alterations in local objectives, and accordingly that advances will not be repaid. After experience indicates the probable proportion of such cases, reserves will be established in anticipation of such losses.

In the budget year, the $9.6 million of estimated disbursements, less $1.5 million in repayments, result in the $8.1 million forecast of expenditures. The disbursements generally occur after the completion of plans and review to ascertain that the specified planning project has been accomplished.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of planning advances	$1,299,838	$5,700,000	$9,550,000
Increase in selected working capital	6,417	18,583	50,000
Total gross expenditure	1,306,255	5,718,583	9,600,000
Receipts from operations (funds provided):			
Repayment of advances	107,726	500,000	1,500,000
Budget expenditures	1,198,529	5,218,583	8,100,000

Financial Condition

Assets:			
Cash with Treasury and in banks	$10,686,964	$10,468,381	$10,868,381
Accounts receivable, net	6,417	25,000	75,000
Contingent advances receivable, net	1,292,160	6,492,160	14,542,160
Total assets	11,985,541	16,985,541	25,485,541
Government investment:			
Non-interest-bearing capital:			
Start of year	4,500,000	12,000,000	17,000,000
Appropriation during year	7,500,000	5,000,000	8,500,000
End of year	12,000,000	17,000,000	25,500,000
Deficit (−)	−14,459	−14,459	−14,459
Total Government investment	11,985,541	16,985,541	25,485,541

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$4,385,493	$10,686,964	$10,468,381	$10,868,381
Obligated balance, net:				
Undisbursed advance obligations	987,101	5,258,177	9,558,177	10,258,177
Accounts receivable, net (−)		−6,417	−25,000	−75,000
Total obligated balance	987,101	5,251,760	9,533,177	10,183,177
Unobligated balance	3,398,392	5,435,204	935,204	685,204

LIQUIDATING PROGRAMS

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Loans and grants to local governments	$702,943	$1,546,027	
2. Disposition and management costs	4,543,913	1,629,500	$40,000
3. Other costs	2,028,324	1,115,504	601,000
Total program obligations	7,275,180	4,291,031	641,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Revenue and receipts:			
Collection on loans and mortgages	$10,926,829	$11,215,924	$11,705,838
Interest on loans and mortgages	7,857,386	8,899,100	8,845,700
Sale of real property	11,137,741	2,903,166	6,200
Revenue from management of real property	6,099,789	685,000	
Other receipts	1,203,558	1,145,833	1,370,832
Recovery of prior year obligations	717,359	4,176,254	
Total amounts becoming available	37,942,662	29,025,277	21,928,570
Unobligated balance brought forward	23,145,335	18,437,817	12,434,744
Unobligated balance transferred from Reconstruction Finance Corporation liquidation fund, Treasury (Reorganization Plan No. 1, 1957)		2,627,961	
Reduction in unobligated balance transferred from Reconstruction Finance Corporation through reclassification of assets and reserves for losses		−1,365,280	
Capital transfer (repayment of investment to Treasury)	−35,000,000	−32,000,000	−25,000,000
Funds transferred to "Defense housing," Navy (70 Stat. 1106)	−375,000		
Unobligated balance carried forward	−18,437,817	−12,434,744	−8,722,314
Financing applied to program	7,275,180	4,291,031	641,000

The revolving fund for liquidating programs was established by provisions of the Independent Offices Appropriation Act, 1955, to provide for the orderly liquidation of a number of Housing and Home Finance Agency programs. Pursuant to Reorganization Plan No. 1 of 1957 the remaining functions of the Reconstruction Finance Corporation with respect to loans made to States, counties, municipalities, and other public agencies for needed public facilities were transferred to the Housing and Home Finance Administrator for administration and final liquidation. Net assets, liabilities, and commitments relating to the functions transferred are as follows:

Cash (to cover loan obligations and claim under litigation)	[1] $2,733,106
Accounts and interest receivable (net)	26,141
Loans and judgments (net)	3,131,520
Accountability to Treasury	5,890,767

[1] Undisbursed loan obligations amount to $1,500,000.

Budget program.—The program exhibits the costs incidental to the management and disposal of property—costs which drop sharply as real estate disposal is virtually completed by the end of 1958.

Some 10,700 emergency housing units, scattered lots and acreages of residential land, and a number of emergency public facility properties remained on hand as of June 30, 1957. Housing disposal is expected to be complete by the end of the current year. By the close of 1959, the $5.8 million in real property will be composed largely of some $2 million in public facility properties under lease-purchase contracts and a $2.4 million water system operated by a local government under a long-term agreement providing certain advantages to military installations receiving service. The principal program assets at the close of 1959 will be a $180 million portfolio of mortgages and loans.

Financing.—Actual and estimated receipts from the collections of interest and principal on mortgages and loans, sales and rental income from real property, and so on, gradually decline from $37.9 million in 1957 to $27.5 million in 1958 and to $21.9 million in the budget year. In addition, mortgages written on real estate sold total $46.3 million in 1957 and $16.9 million in the current year. Approximately the 1959 level of receipts should be maintained for some years from principal repayments and interest earnings on mortgages and loans held.

Operating results and financial condition.—The large book losses attributable to the disposal of real property come to an end in 1958. In view of the recognized liquidating character of the fund, no action is required with respect to the estimated $430 million cumulative deficit at the close of 1959.

The original investment in these programs totaled almost $2.5 billion. By the close of 1959 it is estimated that about $700 million will have been recovered by operations and disposition and returned to the Treasury; $378 million will have been transferred to other agencies and programs; and funds and property aggregating $771 million will have been donated to local governments in accordance with various statutes. Repayments to Treasury of $32 million and $25 million are estimated for 1958 and 1959, respectively. There will remain on hand about $220 million in assets, most of which will be recovered as mortgages and loans are repaid.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loans and investments:			
Acquisition of loans	$49,000		
Acquisition of other assets	66,558		
Expense	888,569	$1,694,000	$133,000
Real property:			
Acquisition of other assets	132,496	2,600	
Expense	6,331,310	2,609,500	540,000
Increase in selected working capital		267,361	
Total gross expenditures	7,467,933	4,573,461	673,000
Receipts from operations (funds provided):			
Loans and investments:			
Loans repaid	10,926,829	11,215,924	11,705,838
Other receipts	616,013	1,145,833	1,370,832
Revenue	7,857,386	8,899,100	8,845,700
Real property:			
Proceeds from sale of real property	11,137,741	2,903,166	6,200
Revenue	5,970,707	685,000	
Other receipts	129,082		
Adjustment of prior year transactions	587,545		
Decrease in selected working capital	447,952		754,801
Total receipts from operations	37,673,255	24,849,023	22,683,371
Budget expenditures	−30,205,322	−20,275,562	−22,010,371

Revenue, Expense and Retained Earnings

Loans and investments:			
Revenue	$7,857,386	$8,899,100	$8,845,700
Expense	8,710,860	1,525,210	558,860
Net operating income or loss (−), loans and investments	−853,474	7,373,890	8,286,840
Real property:			
Proceeds from sale (cash and other proceeds)	57,561,597	19,504,600	
Net book value of assets sold (−)	−90,093,957	−55,919,500	
Net loss (−) from sale	−32,532,360	−36,414,900	
Revenue	5,970,707	685,000	
Expense	24,386,109	9,694,500	2,030,000
Net loss (−), real property	−18,415,402	−9,009,500	−2,030,000
Net loss (−) for the year	−51,801,236	−38,050,510	6,256,840
Analysis of deficit (−):			
Deficit (−), beginning of year	−340,644,738	−394,500,533	−432,551,043
Adjustment of prior year transactions, net	−2,054,559		
Deficit (−), end of year	−394,500,533	−432,551,043	−426,294,203

Financial Condition

Assets:			
Cash with Treasury and in banks	$19,026,417	$10,025,085	$7,025,456
U. S. securities (par)	16,650	26,650	36,650
Accounts receivable, net	6,097,642	4,509,013	3,806,208
Advances	192,291		
Deferred and undistributed charges	60,478		
Loans receivable, net	187,869,784	191,658,698	180,118,460
Other assets, net	17,830,125	24,086,940	22,816,108
Land, structures, and equipment, net	93,616,841	10,472,830	5,753,170
Total assets	324,710,228	240,779,216	219,556,052

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

LIQUIDATING PROGRAMS—Continued

REVOLVING FUND (LIQUIDATING PROGRAMS)—continued

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$4,279,407	$2,126,004	$2,146,000
Government investment:			
Non-interest-bearing capital:			
Start of year	808,090,885	714,931,354	671,204,255
Assets transferred:			
From other agencies	459,511	5,890,767	
To other Federal agencies (−)	−49,281,221	−7,431,496	
To other public bodies (−)	−9,338,284	−10,186,370	−2,500,000
Recovery of prior obligations	463		
Repayment of investment to Treasury (−)	−35,000,000	−32,000,000	−25,000,000
End of year	714,931,354	671,204,255	643,704,255
Deficit (−)	−394,500,533	−432,551,043	−426,294,203
Total Government investment	320,430,821	238,653,212	217,410,052

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash and U. S. securities	$24,212,282	$19,043,067	$10,051,735	$7,062,106
Obligated balance, net:				
Current liabilities	5,280,771	4,279,407	2,126,004	2,146,000
Undisbursed loan obligations	2,304,989	1,586,010		
Unpaid undelivered orders	836,478	837,475		
Accounts receivable, net and cash in transit (−)	−7,355,291	−6,097,642	−4,509,013	−3,806,208
Total obligated balance	1,066,947	605,250	−2,383,009	−1,660,208
Unobligated balance	23,145,335	18,437,817	12,434,744	8,722,314

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, REVOLVING FUND (LIQUIDATING PROGRAMS)

[Office of the Administrator, revolving fund (liquidating programs):] During the current fiscal year not to exceed [$1,100,000] *$673,000* shall be available for administrative expenses (including not to exceed [$133,000] *$38,000* for travel), but this amount shall be exclusive of costs of services performed on a contract or fee basis in connection with termination of contracts and legal services on a contract or fee basis and of payment for services and facilities of the Federal Reserve banks or any member thereof, any servicer approved by the Federal National Mortgage Association, the Federal home-loan banks, and any insured bank within the meaning of the Act of August 23, 1935, as amended, creating the Federal Deposit Insurance Corporation (12 U. S. C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States[: *Provided*, That all expenses, not otherwise specifically limited in connection with the programs provided for under this head shall not exceed $600,000, but this limitation shall not apply to expenses (other than for personal services) in connection with disposition of federally owned projects]. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing—Administrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Management and disposition of loans, investments, and real property (total administrative expenses)	$2,006,096	$1,122,000	$673,000
Financing:			
Unobligated balance no longer available	158,904		
Limitation	2,165,000	1,122,000	673,000

Object Classification—Administrative

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services:			
Payment to consolidated administrative expense account	$210,793	$142,000	$173,000
Payment to Public Housing Administration	1,795,303	980,000	500,000
Total accrued administrative expenses	2,006,096	1,122,000	673,000

Program and Financing—Nonadministrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operation of federally operated projects	$3,337,752	$577,200	
2. Disposition expense	239,369	22,800	
Total nonadministrative expenses	3,577,121	600,000	
Financing:			
Unobligated balance no longer available	4,322,879		
Limitation	7,900,000	600,000	

Object Classification—Nonadministrative

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	540	105	
Full-time equivalent of all other positions	9.2	3	
Average number of all employees	315	43	
Number of employees at end of year	117		
Average GS grade and salary	5.9 $4,778	5.9 $4,842	
Ungraded positions at hourly rate	$4,094	$4,541	
01 Personal services:			
Permanent positions	$1,567,129	$212,800	
Positions other than permanent	23,028	7,500	
Other personal services	20,173	1,500	
Total personal services	1,610,330	221,800	
02 Travel	10,998	1,500	
03 Transportation of things	9,756	600	
04 Communication services	27,138	1,900	
05 Rents and utility services	454,065	78,600	
07 Other contractual services	187,219	32,850	
08 Supplies and materials	437,355	46,400	
09 Equipment	8,401	500	
11 Grants, subsidies, and contributions		7,550	
Payments in lieu of taxes	828,921	207,900	
15 Taxes and assessments	2,938	400	
Total accrued nonadministrative expenses	3,577,121	600,000	

URBAN RENEWAL

The Housing Act of 1949, as amended by the Housing Act of 1954, authorizes Federal assistance to local governments for acquisition, clearance, and redevelopment of slums and blighted areas, and for conservation and rehabilitation where deterioration of properties has not reached the point where clearance is necessary. Project financing is assisted by Federal capital grants approximating two-thirds of net project costs; i. e., the difference between the cost of acquiring and preparing the land, including costs of planning and site improvements, and the amount realized by selling or leasing the land at its fair value for its new uses. Capital grants are also used to pay for certain limited costs of relocating displaced residents and small businesses. The initial contract authority of $500 million has been increased by later acts to $1.25 billion, plus an additional $100 million available at the discretion of the President. Legislation is proposed to increase the authorization by an additional $200 million in 1959. Budget schedules for this amount are shown at the end of the chapter.

In addition to the Federal capital grants, temporary financial assistance during the project planning and execution stages may be provided from a $1 billion Treasury borrowing authorization used for direct Federal advances

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and loans, or more importantly for guaranteeing private loans to the local planning and redevelopment agencies.

As a prerequisite to financial assistance under this program (as well as Federal Housing Administration urban renewal mortgage insurance programs or annual contributions contracts for public low-rent housing under the United States Housing Act of 1937), the statute requires that a community develop a workable program for employing local resources for the elimination of blight and achievement of a stable well-planned community. The Administrator's certification of such a workable program is made for 1 year, and annual recertification for continued eligibility is based on demonstrated satisfactory progress in carrying out the workable program. The actual and estimated numbers of localities undertaking and maintaining workable programs are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Workable program certifications	162	250	215
Recertifications	71	165	285

Since capital grants are nearly a complete measure of Government program costs, the program and financing schedule for grants and outline of associated activities is presented first. This is followed by the similar schedule and discussion of the loan assistance portion of the program, and the combined financial statements for the entire program.

CAPITAL GRANTS FOR SLUM CLEARANCE AND URBAN RENEWAL

For an additional amount for payment of capital grants as authorized by title I of the Housing Act of 1949, as amended (42 U. S. C. 1453, 1456), $50,000,000.

Estimate 1959, **$50,000,000**

URBAN RENEWAL FUND (CAPITAL GRANTS)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Capital grant funds reserved (net)	$237,855,061	$300,000,000	$54,435,619
2. Reservations outstanding at beginning of year	455,158,703	634,298,433	732,798,433
Reservations outstanding at end of year (−)	−634,298,433	−732,798,433	−545,634,052
Total program (obligations)	58,715,331	201,500,000	241,600,000
Financing:			
Amounts becoming available: New contract authorization enacted	200,000,000	350,000,000	
Unobligated balance brought forward (contract authorization):			
Under reservation	455,158,703	634,298,433	732,798,433
Available for reservation	42,290,680	4,435,619	54,435,619
Total amounts available	697,449,383	988,734,052	787,234,052
Unobligated balance carried forward (contract authorization):			
Under reservation	−634,298,433	−732,798,433	−545,634,052
Available for reservation	−4,435,619	−54,435,619	
Financing applied to program	58,715,331	201,500,000	241,600,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$583,000,000	$743,000,000	$1,093,000,000
Contract authorization (new)	200,000,000	350,000,000	
Unfunded balance at end of year	−743,000,000	−1,093,000,000	−1,043,000,000
Appropriation to liquidate contract authorization	40,000,000		50,000,000

Budget program.—Before a capital grant contract is executed, a community must complete an extensive planning operation. Surveys and detailed studies of blighted areas lead to demarcation of project areas and preparation of detailed plans for acquisition and clearance of slum pockets, rehabilitation of less acutely affected areas, improvement of public facilities, relocation of displaced occupants, and disposition of cleared land at its fair value for best new uses. To give assurance that capital grant authority will be available when local agreement on plans and local financing is reached, reservations or earmarkings against the aggregate grant authority are made at the time planning is approved. These grant reservations have been employed as the point for controlling forward program activity. In terms of numbers of projects (including both the preparation of general neighborhood renewal plans and the planning of specific urban renewal projects), the capital grant reservations shown on the program and financing schedule in each year (planning approved), the commitments made (planning completed), and reservations outstanding (planning in process) at the close of each year, are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Planning approved	88	130	125
Planning terminated	31	20	10
Planning completed	54	100	125
Planning in process at year end	254	264	229

The project plans provide the basis for entering into the Federal grant contract, after which the execution of the plans is undertaken. The execution phase occurs usually over a period of several years, with progress payments not in excess of 75% of the total contract permitted as substantial action is completed both with respect to the project itself and the provision of the local share of project costs. With the payment of an estimated $60 million in Federal grants during the budget year, cumulative grant disbursements will reach $207 million. The numbers of projects entering, completing, and remaining in the execution stage, are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Projects entering execution	56	100	120
Projects completed	2	20	25
Projects in execution at year end	178	258	353

In addition to capital grants for part of the write-down or net project costs, two other types of grants are made from this appropriation. Federal funds pay the full cost of relocating displaced families from urban renewal areas up to a maximum of $100 per family, and of relocating small businesses up to $2,500 per establishment. Grants are also made up to two-thirds of the cost of certain demonstration projects designed to develop, test and report new techniques for preventing or eliminating blight.

Financing.—Some 264 cities were actively engaged in planning and development operations as of June 30, 1957. About 50 new localities entered the program in 1957, and an equal or larger number of new applicants is in prospect during each of the current and budget years. To finance a vigorous forward program with due regard for budgetary levels, legislation is proposed to provide $200 million in new capital grant contract authority. This amount, together with some $50 million estimated to be carried over from current authorizations, can finance new projects and provide essential adjustments in existing projects to the extent of $250 million—or about the same level as in the past year. Capital grant disbursements and budget expenditures do not occur until after the period required for planning and execution.

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loan contracts executed (net):			
1. Planning advances	$6,395,619	$11,475,000	$7,975,000
2. Temporary loans	127,412,397	221,000,000	262,500,000
3. Definitive loans		10,000,000	15,000,000
Total loan obligations	133,808,016	242,475,000	285,475,000
4. Interest on borrowings	1,132,153	1,495,000	1,738,000
5. Other	590,581	1,100,000	1,600,000
Total program (obligations)	135,530,750	245,070,000	288,813,000

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

URBAN RENEWAL—Continued

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)—con.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Revenue and receipts:			
Repayment of Federal planning advances	$2,255,059	$6,080,000	$8,675,000
Repayment of Federal temporary loans from project settlement funds	6,949,250	40,000,000	45,000,000
Revenue	1,823,373	2,595,000	3,338,000
Commitments retired: Non-Federal guaranteed loans repaid from project settlement funds	6,465,129	35,000,000	40,175,000
Other	36,219		
Total amounts becoming available	17,529,030	83,675,000	97,188,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	800,870,779	682,869,060	521,474,060
Total amounts available	818,399,809	766,544,060	618,662,060
Unobligated balance carried forward (authorization to expend from public debt receipts)	−682,869,059	−521,474,060	−329,849,060
Financing applied to program	135,530,750	245,070,000	288,813,000

Budget program.—Loan assistance in financing the planning and execution of urban renewal projects is furnished in the following forms:

1. Federal planning advances currently are used to finance the planning costs directly associated with the project. These advances are repayable with interest from project funds.

2. On reaching the contract stage, a loan commitment is issued covering borrowing requirements for the project expenditures to be paid by the redevelopment agency. The loan commitment is reduced when repayments are received from project funds; i. e., the proceeds of land sales and local and Federal cash grants. Typically initial financing requirements are met with Federal loans. Such loans are generally refunded and further needs met from private loans secured by a pledge of the Federal loan commitment.

3. When redeveloped land is to be leased rather than sold, a definitive loan commitment may be issued in the amount of the net value of the land. Private financing secured by the Federal loan commitment is also relied upon in these cases.

The program and financing schedule shows these three classes of loan commitments as items 1, 2 and 3.

Financing.—The financing section of the schedule contains entries to account for the guaranteed non-Federal loan transactions. The sources and application of funds statement following this narrative shows substantial repayments of Federal loans. However, Federal loan commitments are retired in smaller amounts because a large proportion of repayments come from the substitution of guaranteed private financing. The detail is as follows:

[In thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
Total temporary loans repaid (statement of sources and application of funds)	$20,509	$60,000	$85,000
Less refundings from private guaranteed loans secured by the Federal loan commitment	13,560	20,000	40,000
Temporary loans repaid from project settlement funds	6,949	40,000	45,000

Repayments of private guaranteed loans from the project settlement account also extinguish the loan commitment and are accordingly listed in the Financing section.

The degree of reliance on non-Federal guaranteed financing is shown in the following tabulation of loans outstanding at the end of the various years:

[In thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
Total Federal advances and loans (gross)	$48,943	$56,038	$49,137
Non-Federal loans	107,709	167,709	262,534

Operating results and financial condition.—While the loan portion of the program has had some interest earnings in past years, the increase in Treasury borrowing rates as compared with the volume of loan commitments made several years back in a period of lower interest rates has now all but eliminated this margin, and a continuation of this situation is projected. The assumed static level of operating deficit excludes cumulative expenditures of $207 million for capital grants and $27.2 million for administrative costs paid from appropriated funds through the end of the budget year.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of advance planning loans	$4,305,206	$8,225,000	$11,775,000
Acquisition of temporary loans	27,390,920	65,000,000	75,000,000
Capital grants to local public agencies	29,136,634	46,247,389	53,700,000
Relocation grants		3,500,000	5,000,000
Demonstration grants	485,000	1,132,000	1,300,000
Expense	1,722,734	2,595,000	3,338,000
Adjustment of prior year transactions	3,729		
Increase in selected working capital		80,226	168,000
Total gross expenditures	63,044,223	126,779,615	150,281,000
Receipts from operations (funds provided):			
Advance planning loans repaid	2,255,058	6,080,000	8,675,000
Temporary loans repaid	20,509,181	60,000,000	85,000,000
Revenue	1,823,373	2,595,000	3,338,000
Decrease in selected working capital	266,165		
Total receipts from operations	24,853,777	68,675,000	97,013,000
Budget expenditures	38,190,446	58,104,615	53,268,000

Revenue, Expense, and Retained Earnings

Revenue	$1,823,373	$2,595,000	$3,338,000
Expense	2,222,294	2,645,000	3,338,000
Net loss (−) for the year	−398,921	−50,000	
Analysis of deficit (−):			
Deficit (−), beginning of year	−1,147,989	−1,550,639	−1,600,639
Adjustment of prior year transactions	−3,729		
Deficit (−), end of year	−1,550,639	−1,600,639	−1,600,639

Financial Condition

Assets:			
Cash with Treasury and in banks	$65,953,146	$17,848,531	$14,580,531
Accounts receivable, net	1,207,250	1,468,848	1,711,848
Loans receivable, net	46,940,231	54,035,231	47,135,231
Total assets	114,100,627	73,352,610	63,427,610
Liabilities:			
Current	1,771,877	1,953,249	2,028,249
Government investment:			
Interest-bearing capital:			
Start of year	48,000,000	53,000,000	63,000,000
Borrowings from Treasury during year, net	5,000,000	10,000,000	
End of year	53,000,000	63,000,000	63,000,000
Non-interest-bearing capital:			
Start of year	117,000,000	157,000,000	157,000,000
Appropriations during year	40,000,000		50,000,000
Appropriations expended	−96,120,611	−147,000,000	−207,000,000
End of year	60,879,389	10,000,000	
Deficit (−)	−1,550,639	−1,600,639	−1,600,639
Total Government investment	112,328,750	71,399,361	61,399,361

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Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$59,143,592	$65,953,146	$17,848,531	$14,580,531
Budget authorizations:				
To expend from public debt receipts	952,000,000	947,000,000	937,000,000	937,000,000
Unfinanced contract authorization	583,000,000	743,000,000	1,093,000,000	1,043,000,000
Total unexpended balance	1,594,143,592	1,755,953,146	2,047,848,531	1,994,580,531
Obligated balance, net:				
Current liabilities	1,116,468	1,771,877	1,953,249	2,028,249
Undisbursed loan and advance obligations	159,433,380	268,640,071	422,890,071	621,415,071
Undisbursed capital grant obligations	136,051,640	165,145,337	315,765,947	497,365,947
Accounts receivable, net (−)	−778,058	−1,207,250	−1,468,848	−1,711,848
Total obligated balance	295,823,430	434,350,035	739,140,419	1,119,097,419
Unobligated balance	1,298,320,162	1,321,603,111	1,308,708,112	875,483,112

Community Disposal Operations

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Loans acquired to finance property disposal:			
(*a*) Purchase money mortgages	$5,919,650	$14,676,650	$8,518,000
(*b*) Three-year purchase contracts	588,070	290,515	86,715
(*c*) Improvement loans	270,222	924,000	236,000
2. Administrative and other expenses	557,775	930,000	635,000
3. Statutory credits granted to purchasers:			
Priority purchasers, 15%	2,956,684	4,364,850	1,698,360
Waiver of indemnity, 10%	1,971,123	2,909,910	1,132,245
Credit for property improvements	444,220	1,039,950	452,955
Total program (obligations)	12,707,744	25,135,875	12,759,275
Financing:			
Assets transferred from Atomic Energy Commission at appraised value	19,872,696	36,184,960	21,121,355
Value added by property improvements financed at sale	270,222	924,000	236,000
Collection of mortgages and purchase contracts	118,446	791,139	1,209,615
Sale of mortgages			4,900,000
Interest and other revenue	92,443	425,000	1,181,100
Total amounts becoming available	20,353,807	38,325,099	28,648,070
Unobligated balance brought forward		1,646,063	835,287
Total amounts available	20,353,807	39,971,162	29,483,357
Capital transfer (repayment of investment to Treasury) (−)	−6,000,000	−14,000,000	−15,000,000
Unobligated balance carried forward	−1,646,063	−835,287	−1,724,082
Financing applied to program	12,707,744	25,135,875	12,759,275

The Atomic Energy Community Act of 1955, as amended, provides for the disposal of federally owned properties at the communities of Oak Ridge, Tenn., and Richland, Wash. Under Executive Order 10657, the Administrator of the Housing and Home Finance Agency was delegated the functions, duties, and responsibilities in connection with the sale and financing of these properties as provided by the act.

Budget program.—It is estimated that all properties at both communities, consisting of some 11,800 parcels of residential and nonresidential property with an appraised value of $80.2 million, can be disposed of by 1960. The estimated rate of disposition by type of property and by community is shown below:

[Dollars in millions]

	Total		*1957 actual*		*1958 estimate*		*1959 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Oak Ridge, Tenn.								
Residential	6,200	$28.2	3,950	$19.6	1,512	$4.9	689	$2.3
Nonresidential	200	3.4	-----	-----	125	2.4	67	.8
Total	6,400	31.6	3,950	19.6	1,637	7.3	756	3.1
Richland, Wash.								
Residential	5,100	40.9	40	.2	3,376	26.8	1,537	12.3
Nonresidential	300	7.7	-----	-----	1	2.0	181	5.7
Total	5,400	48.6	40	.2	3,377	28.8	1,718	18.0
Total	11,800	80.2	3,990	19.8	5,014	36.1	2,474	21.1

Based on sales experience during 1957, the budget assumes that the properties will be sold in 46% of the cases for cash (including private financing), 49% with purchase money mortgages accepted by the Housing and Home Finance Agency and the remaining 5% under 3-year purchase contracts. In sales financed by purchase-money mortgages, supplemental loans will be made in an estimated 60 cases to cover proposed repairs and improvements.

Sales proceeds in 1959 under these assumptions are estimated at $9.2 million in cash and $8.8 million in mortgages and contracts.

Statutory credits granted to purchasers are allowed to the occupants of single-family and duplex houses who received priority rights to purchase. These statutory credits are expected to total $3.3 million in 1959, composed of (*a*) $1.7 million in automatic 15% credits given to occupant-priority purchasers, (*b*) $1.1 million for the 10% granted on waiver of an indemnity provision protecting against resale hazards in a one-industry town, and (*c*) $0.5 million in allowances attributable to improvements made by or paid for by priority holders.

Financing.—Accountability is assumed for properties at their appraised value at the time a sale is concluded.

The collections of amortization payments on mortgages and purchase contracts are expected to reach $1.2 million in 1959 and interest and other revenue to rise to virtually an equal amount. The projected sale of $5 million in mortgages at prevailing discounts produces an additional $4.9 million.

With the declaration of a $15 million liquidating dividend in 1959, cumulative payments to Treasury will reach $35 million.

Operating results.—There will remain on hand at the end of 1959 an estimated $24.9 million in assets, of which $22.9 million represents a portfolio of 3,750 purchase-money mortgages and nearly 200 3-year purchase contracts. The cumulative loss of $17.6 million is largely attributable to $16.9 million in statutory credits to priority purchasers. A substantial reduction in this deficit should be achieved from net earnings in the years following the active sales program.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Purchase-money mortgages	$5,919,650	$14,676,650	$8,518,000
3-year purchase contracts	588,070	290,515	86,715
Improvement loans made	270,222	924,000	236,000
Expense	557,775	930,000	635,000
Increase in selected working capital			858,300
Total gross expenditures	7,335,717	16,821,165	10,334,015

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

COMMUNITY DISPOSAL OPERATIONS—Continued

COMMUNITY DISPOSAL OPERATIONS FUND—continued

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Sale of property	$14,770,891	$28,794,250	$18,073 795
Repayments and sale of mortgages and purchase contracts	118,446	791,139	6,109,615
Revenue	92,443	425,000	1,181,100
Decrease in selected working capital	275,742	690,921	
Total receipts from operations	15,257,522	30,701,310	25,364,510
Budget expenditures	−7,921,805	−13,880,145	−15,030,495

Revenue, Expense, and Retained Earnings

Appraised value of assets sold including improvement loans	$20,142,918	$37,108,960	$21,357,355
Proceeds of sale (after statutory allowances)	14,770,891	28,794,250	18,073,795
Net loss (−) arising from statutory allowances	−5,372,027	−8,314,710	−3,283,560
Operating income or loss:			
Revenue	92,443	425,000	1,181,100
Expense	557,775	930,000	735,000
Net operating income or loss (−)	−465,332	−505,000	446,100
Net loss (−) for the year	−5,837,359	−8,819,710	−2,837,460
Deficit (−), beginning of year	−96,637	−5,933,996	−14,753,706
Deficit (−), end of year	−5,933,996	−14,753,706	−17,591,166

Financial Condition

Assets:			
Cash with Treasury and in banks	$1,978,442	$1,858,587	$1,889,082
Accounts receivable	23,015	32,700	75,000
Purchase-money mortgages	5,826,084	19,947,700	22,476,400
3-year purchase contracts	563,190	617,600	484,000
Total assets	8,390,731	22,456,587	24,924,482
Liabilities:			
Current	355,394	1,056,000	240,000
Government investment:			
Non-interest-bearing capital:			
Start of year	96,637	13,969,333	36,154,293
Assets transferred from AEC during year	19,872,696	36,184,960	21,121,355
Repayment of investment to Treasury (−)	−6,000,000	−14,000,000	−15,000,000
End of year	13,969,333	36,154,293	42,275,648
Deficit (−)	−5,933,996	−14,753,706	−17,591,166
Total Government investment	8,035,337	21,400,587	24,684,482

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$56,637	$1,978,442	$1,858,587	$1,889,082
Obligated balance, net:				
Current liabilities	56,637	355,394	1,056,000	240,000
Accounts receivable (−)		−23,015	−32,700	−75,000
Total obligated balance	56,637	332,379	1,023,300	165,000
Unobligated balance		1,646,063	835,287	1,724,082

Proposed for later transmission:

COLLEGE HOUSING

OPERATIONS, COLLEGE HOUSING LOANS FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
College housing loan reservations issued (net)			$195,666,241
Reservations at beginning of year			
Program and Financing—Continued			
Program by activities—Continued			
Reservations at close of year (−)			−$194,563,000
Total obligations (loan commitments)			1,103,241
Financing:			
Proposed supplemental authorization to expend from debt receipts			200,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved			−194,563,000
Unreserved			−4,333,759
Financing applied to program			1,103,241

Under proposed legislation, 1959.—An increase in the borrowing authorization from Treasury in the amount of $200 million is anticipated to support projects to be initiated in 1959 under the college housing program.

URBAN RENEWAL

URBAN RENEWAL FUND (CAPITAL GRANTS)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital grant reservations issued (net)			$195,564,381
Reservations outstanding at beginning of year			
Reservations outstanding at close of year			−195,564,381
Total obligations (capital grant commitments made)			
Financing:			
Proposed supplemental contract authorization			200,000,000
Unobligated balance carried forward (contract authorization):			
Under reservation			−195,564,381
Available for reservation			−4,435,619
Financing applied to program			

Under proposed legislation, 1959.—Legislation will be proposed to increase the contract authorization for capital grants for urban renewal by $200 million in 1959 in order to permit the orderly progress of this program in the form of fund reservations for local urban renewal programs.

FEDERAL FLOOD INDEMNITY ADMINISTRATION

Public enterprise funds:

INVESTMENT IN FLOOD INDEMNITY OPERATIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Authorization to expend from public debt receipts	$500,000,000		
Unobligated balance brought forward (authorization to expend from public debt receipts)		$500,000,000	$500,000,000
Total amounts becoming available	500,000,000	500,000,000	500,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−500,000,000	−500,000,000	−500,000,000
Financing applied to program			

Investment in flood indemnity operations.—The Administrator is authorized to borrow up to $500 million, plus such additional amounts as the President shall approve, from the Secretary of the Treasury in furtherance

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of the programs enacted in the Federal Flood Insurance Act of 1956. No borrowings have been made or are proposed.

ADMINISTRATIVE EXPENSES, FEDERAL FLOOD INDEMNITY ADMINISTRATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Flood insurance program (total obligations)	$309,011		
Financing:			
Unobligated balance no longer available	190,989		
Appropriation (new obligational authority)	500,000		

Administrative expenses.—An appropriation of $500,000 was available for administrative expenses of planning in connection with the programs contained in the Federal Flood Insurance Act of 1956.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	28		
Number of employees at end of year	33		
Average GS grade and salary	10.6 $8,421		
01 Personal services: Permanent positions	$216,387		
02 Travel	11,632		
03 Transportation of things	320		
04 Communication services	5,963		
05 Rents and utility services	16,775		
06 Printing and reproduction	3,062		
07 Other contractual services	14,408		
Services performed by other agencies	10,000		
08 Supplies and materials	4,203		
09 Equipment	25,433		
13 Refunds, awards, and indemnities	122		
15 Taxes and assessments	706		
Total obligations	309,011		

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Association, operating under the Federal National Mortgage Association Charter Act (12 U. S. C. 1716, et seq.) purchases, manages, and sells residential mortgages that are insured by the Federal Housing Administration or guaranteed by the Veterans Administration. Under amendments made to the original enactment by the Housing Act of 1954, the Association's functions are carried out through three programs for which separate accountability is required by statute. These programs—secondary market operations, special assistance functions, and management and liquidating functions—are described in the following sections:

Public enterprise funds:

LOANS FOR SECONDARY MARKET OPERATIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Purchase of preferred stock in the secondary market operations fund	$50,000,000		$10,000,000
Loans to the secondary market operations fund	872,721,374	$590,000,000	335,000,000
Total program (obligations)	922,721,374	590,000,000	345,000,000
Financing:			
Amounts becoming available: Repayments of loans by the secondary market operations fund	$963,968,870	$591,233,814	$335,000,000
Authorization to expend from public debt receipts	400,000,000	965,000,000	
Total amounts becoming available	1,363,968,870	1,556,233,814	335,000,000
Unobligated balance brought forward: Authorization to expend from public debt receipts	905,518,690	1,346,766,186	2,313,000,000
Total amounts available	2,269,487,560	2,903,000,000	2,648,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,346,766,186	−2,313,000,000	−2,303,000,000
Financing applied to program	922,721,374	590,000,000	345,000,000

The secondary market operations were authorized by the Housing Act of 1954 in order to provide limited liquidity for Government insured and guaranteed mortgages and to improve the distribution of investment capital available for home financing. Assistance is provided by the purchase and sale of mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration on or after August 2, 1954, of such quality, type, and class as meet generally the purchase standards imposed by private investors. Purchases and sales may be made only at such prices as will prevent excessive use of the Association's facilities and permit the Association to operate on a fully self-supporting basis.

The authorizing statute contemplates that the secondary market operations will ultimately be completely owned and financed by private program participants. Accordingly, these operations are treated in the budget as a trust enterprise and the financial statements relating thereto appear in part III of this document.

Federal National Mortgage Association secondary market operations were initially capitalized through the purchase of $92.8 million of preferred stock by the Secretary of the Treasury. Subsequently, increased preferred stock subscriptions by the Secretary of the Treasury amounting to $50 million (Public Law 85–10) and $65 million (12 U. S. C. 1718d) were authorized, of which $50 million was subscribed in 1957 and an additional $10 million is contemplated in 1959. This preferred stock will be retired as rapidly as feasible and in the meantime the Association will pay dividends on it to the Treasury at rates determined by the Secretary of the Treasury. Private capitalization for these operations is accumulated through a statutory requirement that private subscriptions to common stock must be made which equal 2% of the unpaid principal amount of mortgages sold to the Federal National Mortgage Association; but this percentage may be fixed at a lesser percentage than 2%, but not less than 1%, as determined by the Association from time to time, taking into consideration conditions in the mortgage market and the general economy.

Recommendations for legislation to transfer ownership of the Association to private owners of capital stock must be submitted to the Congress as promptly as practical after all the Treasury's preferred stock has been retired.

The Association is authorized to finance secondary market operations through borrowing from the public on the security of nonguaranteed debentures. Such obligations may not exceed the lesser of: (*a*) ten times the sum of the fund's capital and surplus, or (*b*) the sum of assets free of liens or incumbrances, representing cash, mortgages, United States Government securities, and securities

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

LOANS FOR SECONDARY MARKET OPERATIONS—Continued

guaranteed by the United States. The Secretary of the Treasury, so long as the preferred stock is outstanding, is authorized to purchase such debentures in an amount not exceeding $2.25 billion outstanding at any one time.

Budget program.—The secondary market operations, established in 1955, are now fully recognized by the home mortgage market and have reached significant levels. This is borne out by the following table setting forth the principal activities of the secondary market operations:

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Mortgage purchases (net of discount)	$993.4	$684.8	$489.8
Mortgage sales (net of discount)	4.6	23.9	48.5
Repayments and other credits	17.2	39.7	69.0
Balance in portfolio at year end (cost)	1,197.7	1,818.9	2,191.2

The prices at which mortgages are purchased are established by the Federal National Mortgage Association within the range of market prices for the particular class of mortgages involved. In establishing prices, the Association follows the policies of private institutions and varies the price depending upon geographic location, interest rate of the loan, and ratio of equity to value of the subject property. The budget assumes that mortgages will be purchased during 1958 and 1959 at average discounts of 4.9 and 2.1 points, respectively, below their face value and that sales will be made at an average price one-half point above the purchase price. The difference in average discount between 1958 and 1959 is attributable to the higher average interest rates on mortgages purchased in 1959.

Financing.—Substantial interim Treasury borrowings will be necessary in 1958 and 1959, but borrowings from the public through the sale of debentures are estimated to provide the funds necessary to repay Treasury borrowings in the year in which made. Additional financing will be obtained from utilization of Treasury subscription to preferred stock; from subscriptions of common stock by program participants; and from repayments of mortgage principal. No retirements of preferred stock are estimated for the period covered in this budget because of the heavy demand for money in the mortgage market. The amounts of the principal financing balances outstanding at year end are summarized in the following table:

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Private financing:			
Nonguaranteed debentures	$1,050.1	$1,630.0	$1,965.0
Common stock subscribed	24.8	39.4	49.7
Treasury financing:			
Borrowing from Treasury	3.2	2.0	2.0
Preferred stock	142.8	142.8	152.8

Operating results.—Operations are reflected in budget expenditures only to the extent of Treasury financing.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase by Treasury of preferred stock in the secondary market operations fund	$50,000,000		$10,000,000
Loans to the secondary market operations fund	872,721,374	$590,000,000	335,000,000
Total gross expenditures	922,721,374	590,000,000	345,000,000
Receipts from operations (funds provided):			
Repayment of loans by the secondary market operations fund	963,968,870	591,233,814	335,000,000
Budget expenditures	−41,247,496	−1,233,814	10,000,000

SPECIAL ASSISTANCE FUNCTIONS FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Mortgage servicing fees	$33,999	$375,000	$1,000,000
Other	91,431	525,000	675,000
Interest on Treasury borrowings	245,972	2,400,000	11,500,000
Total operations	371,402	3,300,000	13,175,000
Capital outlay (obligations): Mortgage purchase commitments	343,295,780	522,500,000	227,108,000
Total program (obligations)	343,667,182	525,800,000	240,283,000
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	50,000,000	500,000,000	
Revenue and receipts:			
Mortgage loan repayments	143,009	3,976,000	12,250,000
Interest on mortgage loans	375,613	3,500,000	15,158,000
Commitment fees	2,330,603	3,962,500	2,350,000
Purchase and marketing fees and other receipts	122,096	1,025,000	2,610,000
Recovery of prior year obligations	2,295,020	34,000,000	17,000,000
Total amounts becoming available	55,266,341	546,463,500	49,368,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	530,335,530	239,177,856	251,396,617
Total amounts available	585,601,871	785,641,356	300,764,617
Capital transfer (payment of dividend to Treasury) (−)	−188,822	−2,444,739	−5,125,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−239,177,856	−251,396,617	−44,156,617
Unobligated balance no longer available (authorization to expend from public debt receipts)	−2,568,011	−6,000,000	−11,200,000
Financing applied to program	343,667,182	525,800,000	240,283,000

Federal National Mortgage Association is authorized to provide special assistance to the extent that the President has determined that it is in the public interest for the financing of (1) selected types of home mortgages (pending establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic cost for segments of the national population which are unable to obtain adequate housing under established home-financing programs, and (2) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home building which threatens materially the stability of high level national economy. The Association is authorized, for these purposes, to make commitments and to purchase mortgages up to $450 million outstanding at any one time. Legislation will be proposed to increase to $540 million (an increase of $90 million) the amount authorized for these purposes during the period covered by these estimates.

In addition, by amendments to the Charter Act, the Association is authorized to enter into commitments to purchase and to purchase mortgages on cooperative housing insured under section 213 of the National Housing Act, as amended, up to a limit of $200 million outstanding at any one time: and to make commitments to purchase and to purchase mortgages on armed services housing insured under title VIII of that act, up to a limit of $450 million outstanding at any one time.

Federal National Mortgage Association special assistance functions are financed exclusively by Treasury borrowings, and all benefits and burdens of the program inure solely to the Secretary of the Treasury.

Budget program.—During 1958 and 1959, Federal National Mortgage Association will provide special assistance, under Presidential determination, to (1) mortgages on housing in or supporting urban renewal areas of the types to be insured under sections 220 and 221 of the National Housing Act; (2) mortgages on housing for the elderly; (3) mortgages on housing in Alaska and Guam;

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and (4) mortgages on programed defense, disaster, and military housing. In addition, cooperative and armed services housing will be assisted under the special authority cited above.

The following table shows estimated commitments and purchases during the period covered by this budget:

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
New commitments:			
1. Urban renewal	$44.0	$180.0	$249.5
2. Housing for the elderly	3.2	20.0	40.0
3. Alaska, Guam, and disaster	1.9	12.5	11.0
5. Armed services housing	199.9	250.0	------
6. Cooperative housing	94.3	60.0	15.0
Total commitments	343.3	522.5	315.5
Less proposed legislation	-----	------	88.4
Existing authorization	343.3	522.5	227.1
Purchases:			
1. Urban renewal	3.4	41.4	140.0
2. Housing for the elderly	1.0	15.0	25.0
3. Alaska, Guam, and disaster	1.2	3.1	7.5
4. Defense and military	3.1	7.7	------
5. Armed services housing	1.6	16.8	100.0
6. Cooperative housing	14.0	50.0	49.0
Total purchases	24.3	134.0	321.5

The achievement of this program depends upon enactment of legislation to increase the authority cited above. Purchases until August 7, 1957, were at a price not less than 99% of par under provisions of Public Law 1020, 84th Congress. Public Law 85–104 further amended the Charter Act to require the Federal National Mortgage Association to purchase mortgages at par pursuant to commitments entered into through August 7, 1958. No mortgage sales are projected pending the growth of the portfolio to levels for which an effective sales program is practical.

Financing.—Net borrowings from the Treasury are estimated at $125 million in 1958 and $298 million in 1959, thereby increasing the interest-bearing investment of the Government to $444.9 million at the end of 1959.

Operating results.—Earnings are not retained but are declared as dividends and paid into miscellaneous receipts of Treasury following the year earned. A payment of $188,822 was made in 1957, another payment of $2,444,739 will be made in 1958 and it is estimated $5,125,000 will be paid in 1959.

Position With Respect to Mortgage Purchase Authority

	1957 actual	1958 estimate	1959 estimate
UNDER PRESIDENTIAL DETERMINATION (SEC. 305 (c))			
Mortgage purchase authority	$300,000,000	$450,000,000	$450,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	9,078,000	75,428,000	242,108,000
Undisbursed commitments at end of year	51,984,000	172,284,000	207,892,000
Total charges against authority	61,062,000	247,712,000	450,000,000
Unused authority	238,938,000	202,288,000	----------
COOPERATIVE HOUSING (SEC. 305 (e))			
Mortgage purchase authority	100,000,000	200,000,000	200,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	13,969,000	61,969,000	107,489,000
Undisbursed commitments at end of year	86,002,000	92,502,000	53,502,000
Total charges against authority	99,971,000	154,471,000	160,991,000
Unused authority	29,000	45,529,000	39,009,000
ARMED SERVICES HOUSING (SEC. 305 (f))			
Mortgage purchase authority	200,000,000	450,000,000	450,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	1,578,000	18,228,000	115,228,000
Undisbursed commitments at end of year	198,202,000	425,902,000	317,902,000
Total charges against authority	199,780,000	444,130,000	433,130,000
Unused authority	220,000	5,870,000	16,870,000

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$24,067,088	$134,000,000	$321,500,000
Expense	371,402	3,300,000	13,175,000
Total gross expenditures	24,438,490	137,300,000	334,675,000
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments	143,009	3,976,000	12,250,000
Revenue	2,828,312	8,487,500	20,118,000
Decrease in selected working capital	318,140	2,167,701	9,432,000
Total receipts from operations	3,289,461	14,631,201	41,800,000
Budget expenditures	21,149,029	122,668,799	292,875,000

Revenue, Expense, and Retained Earnings

Revenue	$2,828,312	$8,487,500	$20,118,000
Expense	383,573	3,362,500	13,324,250
Net income for year	2,444,739	5,125,000	6,793,750
Analysis of retained earnings:			
Retained earnings, beginning of year	188,822	2,444,739	5,125,000
Payment of dividend to Treasury (−)	−188,822	−2,444,739	−5,125,000
Retained earnings, end of year	2,444,739	5,125,000	6,793,750

Financial Condition

Assets:			
Cash with Treasury	$313,538	$200,000	$200,000
Accounts receivable, net	91,977	1,000,000	2,000,000
Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	24,329,986	154,291,486	463,392,236
Total assets	24,735,501	155,491,486	465,592,236
Liabilities:			
Current liabilities	413,870	3,489,594	13,921,594
Government investment:			
Interest bearing capital:			
Start of year	246,075	21,876,892	146,876,892
Borrowings from Treasury during year, net	21,630,817	125,000,000	298,000,000
End of year	21,876,892	146,876,892	444,876,892
Retained earnings	2,444,739	5,125,000	6,793,750
Total Government investment	24,321,631	152,001,892	451,670,642

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$20,572	$313,538	$200,000	$200,000
Budget authorizations	549,573,111	575,374,283	944,374,283	635,174,283
Total unexpended balance	549,593,683	575,687,821	944,574,283	635,374,283
Obligated balance, net:				
Current liabilities	5,358	413,870	3,489,594	13,921,594
Undisbursed mortgage obligations	19,254,400	336,188,072	690,688,072	579,296,072
Accounts receivable, net (−)	−1,605	−91,977	−1,000,000	−2,000,000
Total obligated balance	19,258,153	336,509,965	693,177,666	591,217,666
Unobligated balance	530,335,530	239,177,856	251,396,617	44,156,617

Management and Liquidating Functions Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Mortgage servicing fees	$10,905,642	$9,650,000	$9,100,000
Interest on borrowings from public	14,259,350	46,037,000	27,800,000
Other	2,053,665	2,023,809	1,975,000
Interest on Treasury borrowings	39,904,630	25,000,000	45,200,000
Total operations	67,123,287	82,710,809	84,075,000
Capital outlay (obligations):			
Administrative furniture and equipment	115,019	50,000	50,000
Total program (obligations)	67,238,306	82,760,809	84,125,000

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Revenues and receipts:			
Mortgage loan repayments	$155,902,788	$151,046,000	$151,250,000
Sale of administrative property	8,935	5,000	5,000
Interest on mortgage loans	100,764,101	95,280,000	89,300,000
Interest on U. S. securities	1,226,710	1,750,000	2,500,000
Other revenue	207,493	150,000	135,000
Recovery of prior year obligations	695,273	28,400	
Total amounts becoming available	258,805,300	248,259,400	243,190,000
Unobligated balance brought forward:			
Authorization to expend from public debt receipts	17,925,093	274,400	
Investment in U. S. securities: Federal Housing Administration debentures		23,338,448	35,837,039
Total amounts available	276,730,393	271,872,248	279,027,039
Unobligated balance carried forward:			
Investment in U. S. securities: Federal Housing Administration debentures	−23,338,448	−35,837,039	−40,902,039
Authorization to expend from public debt receipts	−274,400		
Unobligated balance no longer available (authorization to expend from public debt receipts)	−185,879,239	−153,274,400	−154,000,000
Financing applied to program	67,238,306	82,760,809	84,125,000

The Association, under this function, is directed by statute to manage and liquidate its existing portfolio (acquired pursuant to commitments entered into prior to November 1, 1954) in an orderly manner, with a minimum of adverse effect upon the home mortgage market and a minimum loss to the Federal Government. Liquidation is accomplished through regular repayments of mortgages according to their amortization schedules, sales of mortgages to private investors as rapidly as they can be absorbed without serious disruption of normal market conditions, and other credits arising from prepayments and foreclosures. The Association is not authorized to make additional mortgage purchase commitments under these functions.

Budget program.—Mortgage purchases and cancellation of previous commitments in the current year have completely liquidated the advance contracts and commitments entered into by the Association prior to enactment of the Federal National Mortgage Association Charter Act of 1954. No mortgage sales are contemplated in the budget program.

Financing.—Funds in the amount of $570 million were borrowed in 1955 from the public on the security of nonguaranteed debentures; in addition, funds in the amount of $802 million were borrowed in 1958; the first issue will be refinanced in 1958 and the second will be repaid. All borrowings on the security of nonguaranteed debentures have been used to reduce the Federal National Mortgage Association's indebtedness to the Treasury. Net repayments of Treasury borrowings during the period covered by this budget were $143.4 million in 1957, and are estimated at $153 million and $154 million for 1958 and 1959, respectively.

Operating results.—Net income will decline sharply in 1958 and 1959 from the 1957 level. This reflects appreciably higher interest costs resulting from the sale of debentures and the refunding of notes with Treasury in 1958. All benefits and burdens of the management and liquidating function inure solely to the Secretary of the Treasury. Retained earnings reserved for losses and contingencies at the end of 1957 amounted to $93.7 million and are estimated at $108.1 million and $116.0 million at the end of 1958 and 1959, respectively.

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY

	1957 actual	*1958 estimate*	*1959 estimate*
Mortgage purchase authority [1]	$2,332,910,161	$2,182,835,761	$2,032,785,761
Charges against authority:			
Mortgages outstanding at end of year	2,332,635,761	2,182,835,761	2,032,785,761
Undisbursed commitments at end of year	274,400		
Total charges against authority	2,332,910,161	2,182,835,761	2,032,785,761
Unused authority			

[1] On and after Nov. 1, 1954, pursuant to Public Law 560, the Federal National Mortgage Association's mortgage purchase authority is the total of its mortgage portfolio and its outstanding commitment contracts in the management and liquidating functions.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$16,974,834	$246,000	
Administrative furniture and equipment	115,019	50,000	$50,000
Expense	67,097,381	82,712,000	84,075,000
Reclassification of Defense Homes Corporation working capital assets	24,859,132		
Total gross expenditures	109,046,366	83,008,000	84,125,000
Receipts from operations (funds provided):			
Repayments on mortgages	155,902,788	151,046,000	151,250,000
Proceeds of sale of administrative furniture and equipment	8,935	5,000	5,000
Revenue	102,198,304	97,180,000	91,935,000
Decrease in selected working capital	19,144,598	17,634,497	4,935,000
Total receipts from operations	277,254,625	265,865,497	248,125,000
Budget expenditures	−168,208,259	−182,857,497	−164,000,000

Revenue, Expense, and Retained Earnings

Revenue	$102,198,304	$97,180,000	$91,935,000
Expense	67,130,521	82,747,000	84,111,000
Net operating income	35,067,783	14,433,000	7,824,000
Nonoperating income:			
Proceeds from sale of administrative property and equipment	8,935	5,000	5,000
Net book value of assets sold (−)	−6,103	−5,000	−5,000
Net gain from sale	2,832		
Net income for the year	35,070,615	14,433,000	7,824,000
Retained earnings, beginning of year	58,639,263	93,709,878	108,142,878
Retained earnings, end of year	93,709,878	108,142,878	115,966,878

Financial Condition

Assets:			
Cash with Treasury and on hand	$342,503	$200,000	$200,000
U. S. securities, Federal Housing Administration debentures on hand	36,246,300	66,246,300	76,246,300
Accounts receivable, net	44,885,496	25,000,000	15,000,000
Deferred charges, prepaid expense	11,140	11,140	11,140
Investment in Defense Homes Corporation assets, net	23,740,468	22,740,468	21,540,468
Federal Housing Administration insured and Veterans Administration guaranteed mortgages	2,332,189,444	2,182,435,444	2,032,435,444
Direct mortgage loans transferred from Reconstruction Finance Corporation	446,317	400,317	350,317
Administrative furniture and equipment, net	250,947	260,947	269,947
Total assets	2,438,112,615	2,297,294,616	2,146,053,616

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Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$57,840,260	$55,589,261	$50,524,261
Debentures payable to the public	570,374,000	570,374,000	570,374,000
Government investment:			
Interest bearing capital:			
Start of year	1,859,538,477	1,716,188,477	1,563,188,477
Borrowings from Treasury during year, net (−)	−143,350,000	−153,000,000	−154,000,000
End of year	1,716,188,477	1,563,188,477	1,409,188,477
Retained earnings	93,709,878	108,142,878	115,966,878
Total Government investment	1,809,898,355	1,671,331,355	1,525,155,355

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash and U. S. securities	$11,730,544	$36,588,803	$66,446,300	$76,446,300
Budget authorizations	17,944,507	274,400		
Total unexpended balance	29,675,051	36,863,203	66,446,300	76,446,300
Obligated balance, net:				
Current liabilities	58,871,951	57,840,260	55,589,261	50,524,261
Undisbursed mortgage purchase obligations	17,944,507	274,400		
Unpaid undelivered orders	6,425	21,191	20,000	20,000
Accounts receivable, net (−)	−65,072,925	−44,885,496	−25,000,000	−15,000,000
Total obligated balance	11,749,958	13,250,355	30,609,261	35,544,261
Unobligated balance	17,925,093	23,612,848	35,837,039	40,902,039

Limitation on Administrative Expenses, Federal National Mortgage Association

[Federal National Mortgage Association:] Not to exceed $4,750,000 shall be available for administrative expenses, which shall be on an accrual basis, and shall be exclusive of interest paid, expenses (including expenses for fiscal agency services performed on a contract or fee basis) in connection with the issuance and servicing of securities, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract, or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside of the continental United States, expenses of services performed on a contract or fee basis in connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies, and said Association may utilize and may make payment for services and facilities of the Federal Reserve banks and other agencies of the Government: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices: *Provided further*, That not to exceed $150,000 shall be available for expenses of travel. (*12 U. S. C. 1716–1723d; 5 U. S. C. 133z–15; Independent Offices Appropriation Act, 1958.*)

Program and Financing—Administrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Secondary market operations	$2,031,195	$2,300,000	$2,200,000
2. Special assistance functions	89,200	525,000	675,000
3. Management and liquidating functions	1,823,900	1,925,000	1,875,000
Total accrued administrative expenses	3,944,295	4,750,000	4,750,000
Financing:			
Unobligated balance no longer available	80,705		
Limitation	4,025,000	4,750,000	4,750,000

The Association carries out the three fiscally separate functions described as a single integrated Government instrumentality with one administrative expense limitation and a single budget and staff. Administrative expenses under limitation are expected to remain the same in 1959 as in 1958.

Object Classification—Administrative

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	775	752	752
Average number of all employees	618	707	707
Number of employees at end of year	662	720	720
Average GS grade and salary	6.3 $4,997	6.4 $5,071	6.4 $5,173
01 Personal services:			
Permanent positions	$3,188,431	$3,676,300	$3,663,000
Other personal services	156,134	58,350	50,800
Total personal services	3,344,565	3,734,650	3,713,800
02 Travel	113,924	150,000	150,000
03 Transportation of things	5,307	5,000	5,000
04 Communication services	71,473	81,800	81,800
05 Rents and utility services	232,333	359,400	359,400
06 Printing and reproduction	57,867	66,200	66,200
07 Other contractual services	66,979	71,550	77,400
General Accounting Office audit expense	18,000	18,000	18,000
08 Supplies and materials	31,798	36,400	36,400
11 Grants, subsidies, and contributions		225,000	240,000
15 Taxes and assessments	2,049	2,000	2,000
Total accrued administrative expenses	3,944,295	4,750,000	4,750,000

Proposed for later transmission:

SPECIAL ASSISTANCE FUNCTIONS FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Mortgage purchase commitments (total obligations)			$88,392,000
Financing:			
Unobligated balance carried forward			1,608,000
Proposed supplemental authorization to expend from public debt receipts			90,000,000

Under proposed legislation, 1959.—Legislation will be proposed to increase the mortgage purchase authorization by $90 million, bringing the total authorization to $540 million in 1959.

FEDERAL HOUSING ADMINISTRATION

Public enterprise funds:

FEDERAL HOUSING ADMINISTRATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Administration	$804,011	$878,345	$896,010
Initiation	448,190	457,400	457,400
Maintenance	329,110	362,900	362,900
Settlement	10,091,795	6,576,305	7,755,000
2. Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Administration	3,867,440	4,479,355	4,570,855
Initiation	25,170,177	25,236,100	24,825,700
Maintenance	1,303,535	1,451,300	1,505,500
Settlement	12,865,154	9,325,863	9,426,500
3. Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Administration	575,407	600,595	608,975
Initiation	1,395,568	2,753,400	3,210,100
Maintenance	99,928	159,700	190,300
Settlement	986,044	2,511,692	1,745,000

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FEDERAL HOUSING ADMINISTRATION—Con.

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Operating costs—Continued			
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Administration	$218,214	$250,660	$254,135
Initiation	306,980	1,610,900	2,368,600
Maintenance	708	7,400	22,700
Settlement			
5. Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Administration	242,892	255,840	259,475
Initiation	688,939	889,500	916,500
Maintenance	60,565	66,600	139,700
Settlement	2,474,750	1,381,514	1,026,700
6. Emergency and other special incentive programs (titles VI, VII and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Administration	786,476	795,205	810,550
Initiation	8,753	49,100	115,600
Maintenance	558,179	582,700	547,100
Settlement	20,103,985	9,544,819	10,875,200
Net gain on sale of equipment	−19,600		
Total operating costs	83,367,200	70,227,193	72,890,500
Depreciation included above (−)	−177,546	−190,000	−210,000
Losses and provision for losses included above (−)	−35,926,490	−16,785,393	−18,040,800
Adjustment of cost included above not requiring funding	19,600		
Total operating costs funded	47,282,764	53,251,800	54,639,700
Capital outlay:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Acquisition of real properties	101,016		
Acquisition of defaulted notes	10,438,100	10,600,000	11,900,000
2. Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Acquisition of real properties	14,963,564	7,975,558	8,310,600
Acquisition of stock in rental housing corporations	200		
3. Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Acquisition of real properties	806,982	1,572,863	1,568,100
Acquisition of defaulted mortgages	858,376	1,464,693	1,634,300
Acquisition of stock in rental housing corporations	8,300	78,700	71,400
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of stock in rental housing corporations	600	4,700	7,500
5. Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Acquisition of real properties	1,578,434	766,510	866,500
Acquisition of defaulted mortgages	4,785,438	1,978,895	1,252,600
Acquisition of stock in rental housing corporations	500	7,000	11,800
6. Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Acquisition of real properties	25,811,409	22,234,261	15,307,600
Acquisition of defaulted mortgages	21,803,651	19,001,399	16,833,000
Acquisition of stock in rental housing corporations	1,800		
7. Acquisition of furniture and equipment	271,892	149,700	210,300
Total capital outlay	81,430,262	65,834,279	57,973,700
Total program costs, funded	128,713,026	119,086,079	112,613,400
8. Relation of costs to obligations: Obligations incurred for costs of other years, net (unpaid undelivered orders)	166,806		
Total program (obligations)	128,879,832	119,086,079	112,613,400
Financing:			
Amounts becoming available:			
Authorization to expend from corporate debt receipts:			
Net debentures issued (permanent indefinite authorization)	33,333,250	9,094,650	
Net debentures retired			−9,096,700

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Amounts becoming available—Con.			
Revenues and receipts:			
Fees and insurance premiums	$135,314,441	$147,384,250	$166,153,700
Interest on U. S. securities	11,652,197	13,245,004	15,691,400
Proceeds from sale of real properties and defaulted mortgages	4,850,901	7,310,200	7,395,600
Recoveries on mortgage notes	3,062,505	3,953,044	4,873,100
Recoveries on defaulted notes	9,428,959	8,640,090	8,280,000
Proceeds from sale of equipment	26,607		
Stock in rental housing corporations redeemed	9,600	27,860	25,700
Other interest, dividends, and income	6,680,731	6,455,755	7,609,300
Net decrease in debentures authorized and in process (−)	−3,866,950	−6,831,500	−5,454,600
Total amounts becoming available	200,492,241	189,279,353	195,477,500
Unobligated balance brought forward (investment in U. S. securities)	363,067,751	434,680,160	504,873,434
Total amounts available	563,559,992	623,959,513	700,350,934
Unobligated balance carried forward (investment in U. S. securities)	−434,680,160	−504,873,434	−587,737,534
Financing applied to program	128,879,832	119,086,079	112,613,400

The Federal Housing Administration, created by the National Housing Act of 1934, is a noncorporate business-type agency made subject to the Government Corporation Control Act by the Housing Act of 1948. The principal purposes of the Administration are to stabilize the mortgage market and to improve home financing practices, housing standards and conditions through the insurance of loans and investments to finance the production, purchase, repair, and improvement of residential structures. As of June 30, 1957, a total of $45 billion of insurance had been written, of which $21 billion was outstanding.

The Administration conducts a wide variety of programs through 11 separate insurance funds, the most important of which is the mutual mortgage insurance fund for the insurance of mortgages on 1- to 4-family dwellings under sec. 203 of the National Housing Act. Other funds cover the insurance of home repair and improvement loans, insurance of mortgages on multifamily housing including cooperative housing, insurance of mortgages on housing for urban renewal, armed services, and other special purposes, and insurance of equity investments in rental housing.

The mutual mortgage insurance fund differs from other insurance funds in that mortgagors receive participation payments from any excess of fees and premiums paid over losses and expenses allocable to the fund. Through June 30, 1957, these participation payments to home owners have amounted to $74.8 million.

The Housing Act of 1957 provided for lower down-payments on family housing insured under sec. 203, and for extension of authority to insure mortgages on armed services housing (title VIII) until June 30, 1959. Revised regulations have been issued to authorize interest rates up to 5¼% in the basic 1- to 4-family housing mortgage insurance programs.

All of the Administration's insurance programs are revenue producing. Revenue is derived from insurance premiums, appraisal and miscellaneous fees, and interest on investments in Government securities.

[Dollars in millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Initiation:			
Unit applications received	451,448	640,000	650,000
Unit applications examined	422,496	600,400	635,500
Mortgage insurance commitments:			
Units	401,178	576,500	612,600
Amount	$4,623.7	$6,626.5	$7,127.8

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[Dollars in millions]

	1957 actual	1958 estimate	1959 estimate
Initiation—Continued			
Mortgage insurance written:			
Units	239,258	373,800	412,300
Amount	$2,659.3	$4,300.7	$4,766.3
Inspections:			
Inspections made (1–4 family units)	874,265	1,178,400	1,334,800
Average multifamily units under inspection	8,845	22,600	36,000
Unit construction starts	163,545	241,600	288,900
Improvement loans insured:			
Notes	1,048,069	1,200,000	1,200,000
Amount (net proceeds)	$765.3	$900.0	$960.0
Servicing:			
Program status end of year—outstanding balance of insurance in force:			
Improvement loans	$1,061.3	$1,173.3	$1,164.3
Mortgage insurance	$20,022.2	$22,674.8	$25,764.8
Total	$21,083.5	$23,848.1	$26,929.1
Real estate acquisition, maintenance, sales and insurance liquidation activity:			
Acquired security or collateral on hand:			
Defaulted loans	137,884	119,800	106,193
Amount	$53.4	$46.5	$41.2
Acquired properties and assigned mortgages:			
Number of units	35,793	34,263	31,491
Amount	$257.6	$244.6	$221.4

Budget program.—The Federal Housing Administration budget for 1959 is designed to carry out the Administration's part of the President's housing program, with present emphasis on the correction and prevention of slums and urban blight, the encouragement of more suitable housing for the elderly, the stimulation of cost reduction in housing built for low- and middle-income groups, the improvement of existing homes, and the provision of housing needed by employees at military and research installations.

Summary of individual insurance programs.—A summary statement, with estimated workload, is provided below for each of the major mortgage insurance programs.

1. *Home modernization and repair insurance program (title I, sec. 2).*—Financial institutions insured against losses are required to provide 10% coinsurance on loans for the alteration, repair, and improvement of residential properties. Loans insured are characteristically short-term, unsecured notes currently averaging around $650. Estimates are set forth below:

	1957 actual	1958 estimate	1959 estimate
Initiation: Loans insured	1,048,069	1,200,000	1,200,000
Servicing: Insurance in force (number of notes), end of year	2,615,493	2,896,353	2,876,988
Liquidation—Acquired security or collateral on hand:			
Defaulted loans	137,884	119,800	106,193
Amount (in millions)	$53.4	$46.5	$41.2

2. *Basic 1–4 family mortgage insurance programs (secs. 8 and 203).*—Mortgages may be insured on 1- to 4-family structures up to statutory limits of 97% of the first $10,000 of appraised value, 85% of the next $6,000 of value, and 70% of value in excess of $16,000. Under these provisions, insured loans bear a higher ratio to the value of the mortgaged property in the lower price range to aid in construction of homes for families of low and moderate income. Mortgages on disaster housing can be insured by Federal Housing Administration up to a maximum of $12,000 on the basis of 100% of loan to value. Insured mortgages may cover new and existing properties both for rent and for sale.

A new program to bring the advantages of Federal Housing Administration mortgage insurance to communities remote from Federal Housing Administration insuring offices has been launched in 1958 on an experimental basis. Local lenders approved by the Federal Housing Commissioner are authorized to process applications for section 203 mortgage insurance, securing necessary appraisals and inspection through Federal Housing Administration-approved fee appraisers and inspectors.

Servicemen's housing mortgage insurance (sec. 222).—Section 222 authorizes the insurance of mortgages to finance the purchase of homes by servicemen who have been in the Armed Forces for a minimum of 2 years. Under this section, mortgages may be insured on single-family structures up to 95% of appraised value, with a maximum mortgage limitation of $17,100.

Estimates in the basic 1- to 4-family mortgage insurance programs are as follows:

	1957 actual	1958 estimate	1959 estimate
Initiation:			
Unit applications examined:			
Section 203	351,140	494,000	503,600
Section 222	11,364	11,700	11,800
Units insured:			
Section 203	195,693	298,600	312,300
Section 222	11,324	9,000	11,100
Section 8	27	-------	-------
Inspections:			
Section 203	856,218	1,116,800	1,247,700
Section 222	11,204	22,800	24,800
Servicing:			
Insurance contracts in force end of year:			
Section 203	1,892,559	2,075,742	2,273,490
Section 222	22,837	31,660	42,590
Section 8	35,682	34,850	34,050
Real estate acquisition, maintenance and sales:			
Properties acquired (units):			
Section 203	1,469	720	756
Section 222	3	-------	-------
Section 8	171	75	75
Properties sold (units):			
Section 203	667	734	1,247
Section 222	-------	3	-------
Section 8	140	139	56
Properties on hand end of year (units):			
Section 203	1,544	1,530	1,039
Section 222	3	-------	-------
Section 8	102	38	57

3. *Basic multifamily mortgage insurance program (secs. 207 and 213).*—Mortgages may be insured on new or existing multifamily housing projects up to statutory limits of 90% or 95% of appraised value (or in the case of cooperative housing, estimated replacement cost). Special provision is made for mortgage insurance on projects undertaken by nonprofit corporations for occupancy by elderly persons. Estimates are as follows:

	1957 actual	1958 estimate	1959 estimate
Initiation:			
Unit applications examined:			
Section 207	7,063	19,000	19,000
Section 213	17,346	24,000	20,000
Units insured:			
Section 207	1,981	14,100	13,800
Section 213	7,235	20,700	18,400
Average multifamily units under inspection:			
Section 207	2,495	6,400	10,000
Section 213	3,500	10,000	13,500
Servicing:			
Insurance contracts in force end of year:			
Section 207	397	531	664
Section 213	13,707	18,459	22,679
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Section 207	46	400	400
Section 213	157	50	50
Properties and mortgages sold (units):			
Section 207	221	676	240
Section 213	64	86	59
Properties and mortgages on hand end of year (units):			
Section 207	1,160	884	1,044
Section 213	194	158	149

4. *Urban renewal, rehabilitation and relocation mortgage insurance program (secs. 220 and 221).*—Section 220 provides insurance of mortgage financing for the construction or rehabilitation of housing in designated urban renewal areas. Section 221 provides mortgage insurance for housing built or rehabilitated for persons displaced by governmental action in communities having approved urban renewal plans.

Actual and estimated operating volume is as follows:

Initiation:	1957 actual	1958 estimate	1959 estimate
Unit applications examined:			
Section 220	3,872	18,400	28,200
Section 221	860	9,400	9,100
Units insured:			
Section 220	2,232	11,100	20,800
Section 221	106	5,000	7,800
Inspections:			
Home (units)	2,060	26,400	41,100
Multifamily	1,950	6,000	11,500
Servicing:			
Insurance contracts in force, end of year:			
Section 220	310	2,217	7,703
Section 221	108	4,118	10,928

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

5. *Armed services mortgage insurance program (title VIII).*—Rental housing is provided under title VIII, through the use of private capital under insured mortgages, for civilian and military personnel of the armed services and for personnel at atomic energy, and research and development installations. Mortgages may be insured for not to exceed an average of $16,500 per dwelling unit in any one project. During the last half of 1957 advance statements of appraisal and eligibility involving more than 50,000 units were requested by the military. Estimates are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Initiation:			
Unit applications examined	30,751	22,900	42,800
Units insured	20,433	14,800	27,100
Inspections	3,013	9,400	17,200
Servicing:			
Insurance contracts in force end of year	641	2,389	5,283
Real estate acquisition, maintenance and sales:			
Properties acquired (units)	822	320	240
Properties sold (units)	------	199	555
Properties on hand end of year (units)	2,496	2,617	2,302

6. *Emergency and other special incentive programs.*—The special war housing mortgage insurance provisions of title VI (secs. 603, 608, 609, 610, and 611), were continued until April 1948 for home mortgages and until March of 1950 for rental project mortgages to provide veterans' emergency housing. Other special incentive programs were added later. These included insurance of (*a*) loans for the manufacture of housing by industrial processes and short-term notes incident to the sale of such housing; (*b*) mortgages executed in connection with the sale by the Government of certain federally owned housing; and (*c*) short-term loans to finance the construction, by modern site-fabrication methods, of groups of 25 or more single family dwellings, as well as for insured long-term financing of properties so constructed. Insurance authority under title VI has terminated. The Housing Act of 1954 transferred to title II the authority to insure mortgages to finance the sale of Government-owned housing.

Title VII provides for yield insurance for rental housing equity investments. There is insured an annual return of 2¾% and a minimum annual amortization of 2% on equity investments in rental housing for families of moderate income.

Title IX provided mortgage insurance for programed defense housing, covering both 1- to 4-family and multifamily housing within the limits of programed housing needs in defense areas designated by the President. The authorization to insure under this title has terminated except for commitments outstanding.

Estimates are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Initiation:			
Unit applications examined:			
Title VII	------	1,000	1,000
Title IX	100	------	------
Units insured:			
Title VII	------	500	1,000
Title IX	227	------	------
Inspections:			
Title VII	------	100	1,000
Title IX	67	------	------
Servicing:			
Insurance contracts in force, end of year:			
Title VI	249,384	231,241	213,336
Title VII	------	2	6
Title IX	48,558	46,870	45,665
Real estate, acquisitions, maintenance, and sales activity:			
Properties and mortgages acquired (units):			
Title VI	3,777	3,760	3,200
Title VII	------	------	------
Title IX	3,172	1,880	1,333
Properties sold (units):			
Title VI	3,732	5,026	4,929
Title VII	------	------	------
Title IX	1,285	1,872	1,740
Real estate, acquisition, maintenance, and sales activity—Continued			
Properties and mortgages on hand, end of year (units):			
Title VI	23,029	21,763	20,034
Title VII	------	------	------
Title IX	7,265	7,273	6,866

Summary of operating expense estimates.—FHA operating expenses (administrative and nonadministrative) are paid out of operating income, subject to limitation.

It is expected that a total operating expense authorization of $46,400,000 will be necessary for 1959, of which $7,400,000 will be administrative and $39,000,000 nonadministrative, representing an increase of $1,140,000 over the latest estimate for 1958. The 1958 estimate is $45,260,000, $7,260,000 administrative and $38,000,000 nonadministrative. It should be noted that this estimate for 1958 is $2,000,000 over the present limitation, based upon the increased workload shown here, and will be the subject of a supplemental nonadministrative budget estimate to be submitted separately.

Relation of costs to obligations.—The relationship is derived by year-end balances of unpaid undelivered orders as follows: 1956, $200,032; 1957, $366,838; 1958, $366,838; and 1959, $366,838.

Financing.—All Federal Housing Administration operations are financed out of revenue. Mortgage insurance claims are met by the issuance of debentures which are subsequently redeemed out of insurance revenue and the proceeds of the sale of acquired properties and mortgages. In 1957, $72,376,900 of debentures were issued. Debentures to be issued are estimated at $54,810,900 in 1958 and $45,115,000 in 1959. Debentures were retired in 1957 in the amount of $39,043,650. Retirement of debentures in 1958 and 1959, respectively, are estimated at $45,716,250 and $54,211,700.

Operating results and financial condition.—Operations in 1957 resulted in a net income of $76,709,695. This income was distributed as follows: $26,390,900 was placed in the general surplus account, $32,500,000 in the participating reserve account of the Mutual Mortgage Insurance Fund (which was established pursuant to Public Law 560, approved Aug. 2, 1954), and $17,818,795 in the general insurance reserves under the nonmutual insurance programs.

Net income is expected to be $104,999,316 in 1958 and $125,013,900 in 1959. In the two-year period it is estimated that income totaling $85,952,195 will be added to the participating statutory reserve account and $144,061,021 to general surplus accounts.

Insurance reserves which totaled $460,897,568 on June 30, 1956, increased to $531,177,737 during 1957 and are expected to reach $628,035,553 by June 30, 1958, and $744,599,453 by June 30, 1959. These reserves are required to meet future insurance losses and expenses.

On June 30, 1956, the total of Federal Housing Administration capital and insurance reserves stood at $481,207,568. During 1957 the capital and reserves increased to $551,487,737, and it is estimated that they will reach $648,345,553 by June 30, 1958, and $764,909,453 by June 30, 1959.

Insurance authority.—Public Law 1020, approved August 7, 1956, amended the general mortgage insurance authorization under section 217. This amendment provides that the aggregate amount of principal obligations of all mortgages which may be insured and outstanding at any one time under insurance contracts or commitments to insure pursuant to any section or title (except sec. 2 and sec. 803) shall not exceed the sum of (*a*) the outstanding principal balances, as of July 1, 1956, of all

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insured mortgages (without taking into account prepayments or delinquencies), (*b*) the principal amount of all outstanding commitments to insure as of July 1, 1956, and (*c*) $3,000,000,000. This general insurance authorization applies to all mortgage insurance programs except new insurance written under title VIII pursuant to commitments issued on or after August 11, 1955, and provides adequate amounts to carry such mortgage insurance programs through 1958. The legislative proposal will include a request for an authorization of $3,000,000,000 over the June 30, 1958 charges of $25,039,566,335, making a total of $28,039,566,335 available in 1959.

Section 803 (a) of the act as amended by Public Law 345, approved August 11, 1955, and Public Law 1020, approved August 7, 1956, created a separate mortgage insurance authorization with regard to all new insurance written under title VIII pursuant to commitments issued on or after August 11, 1955, including both the new armed services housing program and the extended military housing program. This insurance authorization provides that the aggregate amount of principal obligations of all mortgages insured under this program shall not exceed $2,300,000,000 and that the limitation in section 217 shall not apply to this program. This amount will be adequate to carry the program through both 1958 and 1959.

The title I, section 2, authorization of $1,750,000,000 for repair and improvement insurance will be sufficient to carry this program through both 1958 and 1959.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1957 actual	*1958 estimate*	*1959 estimate*
Repair and improvement loan insurance:			
Insurance authority	$1,750,000,000	$1,750,000,000	$1,750,000,000
Charges against insurance authority:			
Insurance in force	991,339,862	1,103,314,800	1,094,188,800
Loan reports in process	69,938,718	70,000,000	70,100,000
Total charges against authority	1,061,278,580	1,173,314,800	1,164,288,800
Unused authority	688,721,420	576,685,200	585,711,200
Mortgage insurance—general authorization:			
Insurance authority	25,783,993,600	25,783,993,600	25,783,993,600
Charges against insurance authority:			
Insurance in force	19,708,450,397	22,133,395,289	24,809,686,059
Commitments outstanding	2,999,117,946	2,906,171,046	3,080,542,796
Total charges against authority	[1] 22,707,568,343	[1] 25,039,566,335	[1] 27,890,228,855
Unused authority	3,076,425,257	744,427,265	
Additional authority required			2,106,235,255
Mortgage insurance—armed services housing authorization:			
Insurance authority	2,300,000,000	2,300,000,000	2,300,000,000
Charges against insurance authority:			
Aggregate amount of mortgages insured	313,675,127	542,858,127	965,258,127
Commitments outstanding	435,216,157	352,071,277	377,226,697
Total charges against authority	748,891,284	894,929,404	1,342,484,824
Unused authority	1,551,108,716	1,405,070,596	957,515,176

[1] Includes charges of $63,406, $42,326 and $41,250 at the end of 1957, 1958 and 1959 respectively which are chargeable against the limitation of $100,000,000 contained in sec. 203 (i) of the National Housing Act relating to farm mortgages.

NOTE.—Insurance in force under the general authorization at June 30, 1957, June 30, 1958, and June 30, 1959, does not include $78,172, $74,600, and $70,800, respectively of outstanding balances on open end advances which are not chargeable against the authorization.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Home modernization and repair insurance program: (title I, sec. 2):			
Acquisition of real properties and defaulted notes	$10,539,116	$10,600,000	$11,900,000
Expense	4,067,771	4,228,345	4,259,010
Basic 1-4 family mortgage insurance programs (titles I and II, sec. 8, 203, and 222):			
Acquisition of real properties	14,963,564	7,975,558	8,310,600
Acquisition of stock in rental housing corporations	200		
Expense	30,679,504	31,443,555	31,161,355
Participation in mutual insurance earnings	6,429,526	8,141,500	8,450,000

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied)—Continued			
Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Acquisition of real properties and defaulted mortgages	$1,665,358	$3,037,556	$3,202,400
Acquistion of stock in rental housing corporations	8,300	78,700	71,400
Expense	2,127,496	3,588,795	4,078,875
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs, 220 and 221):			
Acquisition of stock in rental housing corporations	600	4,700	7,500
Expense	523,629	1,860,360	2,632,735
Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Acquisition of real properties and defaulted mortgages	6,363,872	2,745,405	2,119,100
Acquisition of stock in rental housing corporations	500	7,000	11,800
Expense	1,014,265	1,245,940	1,346,675
Emergency and other special incentive programs (titles VI, VIII, and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Acquisition of real properties and defaulted mortgages	47,615,060	41,235,660	32,140,600
Acquisition of stock in rental housing corporations	1,800		
Expense	2,440,573	2,743,305	2,711,050
Acquisition of furniture and equipment	271,892	149,700	210,300
Increase in selected working capital	3,550,628	14,792,965	17,412,800
Total gross expenditures	132,263,654	133,879,044	130,026,200
Receipts from operations (funds provided):			
Home modernization and repair insurance program: (title I, sec. 2):			
Proceeds from sale of real properties	33,350		
Recoveries on mortgage notes	43,181	43,197	44,000
Recoveries on defaulted notes	9,428,959	8,640,090	8,280,000
Revenue	17,228,862	16,075,700	16,974,100
Basic 1-4 family mortgage insurance programs: (titles I and II, secs. 8, 203 and 222):			
Proceeds from sale of real properties	955,133	1,154,700	1,876,600
Recoveries on mortgage notes	581,414	559,443	807,400
Revenue	97,384,651	108,432,505	124,451,600
Basic multifamily mortgage insurance programs: (title II, secs. 207 and 213):			
Proceeds from sale of real properties	340,246	676,300	352,400
Recoveries on mortgage notes	172,271	173,003	180,000
Redemption of stock in rental housing corporations	1,700	20,000	18,000
Revenue	4,565,866	7,475,104	8,650,100
Urban renewal, rehabilitation and relocation mortgage insurance program: (title II, secs. 220 and 221):			
Revenue	356,535	1,879,600	3,458,400
Armed services mortgage insurance program: (title VIII, secs. 803 and 809):			
Proceeds from sale or real properties		162,800	471,600
Recoveries on mortgage notes		3,800	11,500
Redemption of stock in rental housing corporations	500		
Revenue	4,961,766	5,595,900	8,172,900
Emergency and other special incentive programs: (titles VI, VII and IX, secs. 603, 608, 609, 610, 611, 701, 903 and 908):			
Proceeds from sale of real properties	3,522,172	5,316,400	4,695,000
Recoveries on mortgage notes	2,265,639	3,173,601	3,830,200
Redemption of stock in rental housing corporations	7,400	7,860	7,700
Revenue	29,149,689	27,626,200	27,747,300
Proceeds from sale of equipment	26,607		
Total receipts from operations	171,025,941	187,016,203	210,028,800
Budget expenditures	−38,762,287	−53,137,159	−80,002,600

Revenue, Expense, and Retained Earnings

Home modernization and repair insurance program (title I, sec. 2):			
Revenue	$17,228,862	$16,075,700	$16,974,100
Expense	11,673,106	8,274,950	9,471,310
Net operating income	5,555,756	7,800,750	7,502,790
Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203 and 222):			
Revenue	97,384,651	108,432,505	124,451,600
Expense	36,776,780	32,351,118	31,878,555
Net operating income	60,607,871	76,081,387	92,573,045
Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Revenue	4,565,866	7,475,104	8,650,100
Expense	3,056,947	6,025,387	5,754,375
Net operating income	1,508,919	1,449,717	2,895,725

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Revenue, Expense and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Revenue	$356,535	$1,879,600	$3,458,400
Expense	525,902	1,868,960	2,645,435
Net operating income or loss (−)	−169,367	10,640	812,965
Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Revenue	4,961,766	5,595,900	8,172,900
Expense	3,467,146	2,593,454	2,342,375
Net operating income	1,494,620	3,002,446	5,830,525
Emergency and other special incentive programs (titles VI, VII and IX, secs. 603, 608, 609, 610, 611, 701, 903 and 908):			
Revenue	29,149,689	27,626,200	27,747,300
Expense	21,457,393	10,971,824	12,348,450
Net operating income	7,692,296	16,654,376	15,398,850
Nonoperating income or loss (−):			
Proceeds from sale of equipment	26,607		
Net book value of assets sold (−)	7,007		
Net gain from sale of equipment	19,600		
Net income for the year	76,709,695	104,999,316	125,013,900
Analysis of retained earnings:			
Retained earnings, beginning of year	460,897,568	531,177,737	628,035,553
Participation payments out of statutory reserve	−6,429,526	−8,141,500	−8,450,000
Retained earnings, end of year	531,177,737	628,035,553	744,599,453

Financial Condition

Assets:			
Cash with Treasury:			
Revolving fund accounts	$21,611,341	$22,200,000	$18,255,900
Deposit fund accounts	1,360,801	1,360,000	1,360,000
U. S. securities (par value)	499,543,850	561,187,000	636,037,000
Accounts receivable	6,029,585	15,415,788	25,652,572
Mortgage notes and sales contracts, net	99,989,189	137,952,000	175,399,200
Acquired properties, mortgages and notes, net	166,763,927	157,497,000	139,038,200
Furniture and equipment, net	1,176,581	1,136,281	1,136,581
Stock in rental housing corporations	471,360	533,900	598,900
Other assets	1,932,114	1,984,400	2,047,400
Total assets	798,878,748	899,266,369	999,525,753
Liabilities:			
Current liabilities	95,430,693	96,906,916	95,248,500
Debentures authorized and in process	44,214,400	37,382,900	31,928,300
Debentures outstanding	106,434,150	115,528,800	106,432,100
Reserve for foreclosure costs	1,311,768	1,102,200	1,007,400
Total liabilities	247,391,011	250,920,816	234,616,300
Government investment:			
Non-interest-bearing capital:			
Allocations to Federal Housing Administration insurance funds from other Federal Housing Administration insurance funds	20,310,000	20,310,000	20,310,000
Retained earnings:			
Statutory reserve-participating reserve	75,530,305	106,964,300	144,891,000
General surplus-reserves for future expenses and losses	455,647,432	521,071,253	599,708,453
Total retained earnings	531,177,737	628,035,553	744,599,453
Total Government investment	551,487,737	648,345,553	764,909,453

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash and U. S. securities	$449,059,654	$521,155,191	$583,387,000	$654,292,900
Obligated balance, net:				
Current liabilities	93,336,880	95,430,693	96,906,916	95,248,500
Debentures authorized and in process	48,081,350	44,214,400	37,382,900	31,928,300
Unpaid and undelivered orders	200,032	366,838	366,838	366,838
Obligated balance, net—Continued				
Accounts receivable net and other current assets (−)	−$7,545,009	−$9,322,500	−$18,760,188	−$29,059,972
Authorization for debentures authorized and in process (−)	−48,081,350	−44,214,400	−37,382,900	−31,928,300
Total obligated balance	85,991,903	86,475,031	78,513,566	66,555,366
Unobligated balance	363,067,751	434,680,160	504,873,434	587,737,534

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

[Federal Housing Administration:] For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed [$7,260,000] *$7,400,000* of the various funds of the Federal Housing Administration shall be available, in accordance with the National Housing Act, as amended (12 U. S. C. 1701), including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131): *Provided*, That, except as herein otherwise provided, all expenses and obligations of said Administration shall be incurred, allowed, and paid in accordance with the provisions of said Act: *Provided further*, That not to exceed $445,000 shall be available for expenses of travel: *Provided further*, That funds shall be available for contract actuarial services (not to exceed $1,500); and purchase of periodicals and newspapers (not to exceed $750): *Provided further*, That nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed [$36,000,000] *$39,000,000*.

Program and Financing—Administrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2)	$807,101	$878,345	$896,010
2. Basic 1-4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222)	3,881,521	4,479,355	4,570,855
3. Basic multifamily mortgage insurance program (title II, secs. 207 and 213)	576,692	600,595	608,975
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221)	219,066	250,660	254,135
5. Armed services mortgage insurance program (title VIII)	243,807	255,840	259,475
6. Emergency and other special incentive programs (titles VI, VII, and IX)	790,487	795,205	810,550
Total obligations	6,518,674	7,260,000	7,400,000
Financing:			
Unobligated balance no longer available	381,326		
Limitation	6,900,000	7,260,000	7,400,000

Object Classification—Administrative

Total number of permanent positions		989		994		1,002
Full-time equivalent of all other positions						
Average number of all employees		917		951		965
Number of employees at end of year		920		975		980
Average GS grade and salary	7.2	$5,730	7.2	$5,756	7.2	$5,796
01 Personal services:						
Permanent positions		$5,142,742		$5,437,150		$5,532,410
Positions other than permanent		3,566				
Other personal services		83,787		75,500		51,500
Total personal services		5,230,095		5,512,650		5,583,910
02 Travel		321,474		425,000		445,000
03 Transportation of things		7,012		7,550		7,665
04 Communication services		65,443		70,000		70,000
05 Rents and utility services		569,912		612,000		643,500
06 Printing and reproduction		66,675		53,000		53,925
07 Other contractual services		202,631		205,150		205,500
08 Supplies and materials		47,860		50,000		50,775
11 Grants, subsidies, and contributions				320,000		335,000
13 Refunds, awards, and indemnities		3,195				
15 Taxes and assessments		4,377		4,650		4,725
Total obligations		6,518,674		7,260,000		7,400,000

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Program and Financing—Nonadministrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2)	$3,334,365	$3,364,000	$3,395,600
2. Basic 1–4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222)	26,852,256	27,068,400	26,679,600
3. Basic multifamily mortgage insurance program (title II, secs. 207 and 213)	1,779,149	3,000,700	3,503,600
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221)	341,449	1,616,400	2,401,600
5. Armed services mortgage insurance program (title VIII)	786,060	994,200	1,100,600
6. Emergency and other special incentive programs (titles VI, VII, and IX)	1,788,514	1,956,300	1,919,000
Total obligations	34,881,793	38,000,000	39,000,000
Financing:			
Unobligated balance no longer available	1,818,207		
Limitation	36,700,000	38,000,000	39,000,000

Object Classification—Nonadministrative

Total number of permanent positions		5,469		5,523		5,640
Full-time equivalent of all other positions		12		13		13
Average number of all employees		5,284		5,140		5,547
Number of employees at end of year		5,050		5,523		5,640
Average GS grade and salary	7.5	$5,408	7.4	$5,439	7.4	$5,454
01 Personal services:						
Permanent positions		$28,736,612		$28,426,500		$30,358,100
Positions other than permanent		63,298		68,400		68,400
Other personal services		227,354		1,422,000		218,700
Total personal services		29,027,264		29,916,900		30,645,200
02 Travel		2,382,402		2,611,100		2,792,600
03 Transportation of things		67,265		65,200		70,600
04 Communication services		600,459		628,500		635,300
05 Rents and utility services		1,510,971		1,609,300		1,669,300
06 Printing and reproduction		281,693		526,400		269,000
07 Other contractual services		547,436		525,100		542,200
08 Supplies and materials		238,836		242,300		251,200
09 Equipment		204,000		149,700		210,300
11 Grants, subsidies, and contributions				1,712,300		1,900,000
13 Refunds, awards, and indemnities		7,885				
15 Taxes and assessments		13,582		13,200		14,300
Total obligations		34,881,793		38,000,000		39,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Appraisal work performed for Atomic Energy Commission	$113,838	$105,000	
2. Appraisal work performed for Department of the Interior		30,000	
3. Miscellaneous services to other accounts	147,058	125,000	$115,000
Total obligations	260,896	260,000	115,000
Financing:			
Advances and reimbursements from other accounts	260,896	260,000	115,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions			
Average number of all employees	18	25	5.0
Number of employees at end of year			
01 Personal services: Permanent positions	$104,589	$147,000	$25,000
02 Travel	17,617	20,000	
03 Transportation of things	41		
04 Communication services	95,204	93,000	90,000
05 Rents and utility services	299		
07 Other contractual services	39,782		
08 Supplies and materials	3,364		
Total obligations	260,896	260,000	115,000

Proposed for later transmission:

LIMITATION ON NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

Under existing legislation, 1958.—An increase in the limitation for nonadministrative expenses for 1958 in the amount of $2,000,000 is anticipated to provide funds for increased workload in connection with mortgage insurance programs.

PUBLIC HOUSING ADMINISTRATION

The Public Housing Administration is responsible for administering the low-rent public housing program under the United States Housing Act of 1937 (42 U. S. C. 1401 et seq.), as amended. This act provided for a program of locally owned and operated low-rent public housing by authorizing loans and annual contributions to local housing authorities to assist in financing the construction of housing projects for low-income families and to maintain their low-rent character after completion and occupancy. In addition, the Public Housing Commissioner has directed, on behalf of the Housing and Home Finance Administrator, the liquidation of the public war, the defense, and the veterans reuse housing programs which are included in the revolving fund for liquidating programs (see Office of the Administrator). The budget program anticipates disposition of all housing units and related properties in the public war, defense, and veterans reuse housing programs by the end of 1958. Only a portfolio of mortgages received in partial payment from the sale of these properties will then remain.

Public enterprise funds:

ADMINISTRATIVE EXPENSES

[Administrative expenses:] For administrative expenses of the Public Housing Administration, [$11,440,000] *$12,200,000,* to be [merged with and] expended under the authorization for such expenses contained in title II of this Act. (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$11,440,000** Estimate 1959, **$12,200,000**

ANNUAL CONTRIBUTIONS

[Annual contributions:] For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U. S. C. 1410), [$95,000,000] *$114,000,000.* (*Independent Offices Appropriation Act, 1958.*)

Appropriated 1958, **$95,000,000** Estimate 1959, **$114,000,000**

LOW-RENT PUBLIC HOUSING PROGRAM FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Development and management operations:			
(a) Financing operations:			
Development loan commitments:			
New commitments	$202,330,360	$264,450,000	$430,813,000
Refunding direct with guaranteed loans	151,947,898	337,896,000	294,189,000
Administrative and mortgage loans	104,012	50,000	50,000
Expense	90,608		

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW-RENT PUBLIC HOUSING PROGRAM FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
1. Development and management operations—Continued			
(b) Federally owned project operations:			
Acquisition of equipment and operating improvements	$406,416	$64,000	$34,300
Expense	799,101	703,500	589,000
(c) Technical services operations: Expense	316,658	1,450,000	1,500,000
(d) Annual contributions, statutory grants	90,634,813	95,000,000	114,000,000
(e) Working capital absorbed	648		
2. Disposition operations: Expense	11,978	10,000	10,000
3. Interest on borrowings	1,876,414	2,250,000	2,250,000
4. Administrative expenses	9,997,266	11,440,000	12,200,000
Total program (obligations)	458,516,172	713,313,500	855,635,300
Financing:			
Amounts becoming available:			
Appropriations:			
Annual contributions	93,000,000	95,000,000	114,000,000
Administrative expenses	10,700,000	11,440,000	12,200,000
Authorization to expend from public debt receipts (cancellation of notes pursuant to Public Law 176, approved July 31, 1953)	3,671		
Revenue and receipts:			
Collection of development loans from local authorities:			
Direct loans	2,555,295	2,772,000	5,288,000
Refunding direct with guaranteed loans	151,947,898	337,896,000	294,189,000
Permanent financing	91,023,748	54,000,000	201,000,000
Collection of other loans	1,241,670	225,000	203,000
Interest on loans	3,128,109	3,482,000	3,445,000
Revenue from federally owned projects	671,339	791,200	680,100
Technical service fees	527,406	1,331,000	2,273,000
Disposition proceeds and other revenue	1,075,679	1,781,500	1,297,400
Adjustment of prior year transactions, net	25,158		
Recovery of prior year obligations (reduction of loan commitment due to permanent financing and other cancellations)	62,260,656	54,293,000	202,228,000
Total amounts becoming available	418,160,629	563,011,700	836,803,500
Unobligated balance brought forward (authorization to expend from public debt receipts)	594,331,801	548,146,314	396,923,514
Total amounts available	1,012,492,430	1,111,158,014	1,233,727,014
Return of unexpended appropriations to Treasury (−):			
Annual contributions	−3,131,786		
Administrative expenses	−1,261,635		
Capital transfers (payment of property receipts to Treasury) (−)	−1,436,523	−921,000	−1,086,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−548,146,314	−396,923,514	−377,005,714
Financing applied to program	458,516,172	713,313,500	855,635,300

The United States Housing Act of 1937 has subsequently been modified by amendments or by other related legislation. Public Law 671, approved June 28, 1940 (42 U. S. C. 1501), permitted the construction of permanent housing for war workers, subject to conversion to low-rent use after the emergency. The Housing Act of 1949, Public Law 171, approved July 15, 1949 (42 U. S. C. 1401 et seq.), increased the borrowing power of the Administration to $1.5 billion and increased the annual contributions authorization to $336 million. The Housing Act of 1957, Public Law 85–104, approved July 12, 1957, modified the income limits, by increasing the exemptions for certain members of families, for admission to and continued occupancy in low-rent housing projects administered under the Housing Act of 1937, as amended. The increased exemptions are not mandatory, but may be applied at the option of local authorities. The Housing Act of 1957 also increased the maximum cost per room of regular low-rent dwelling units from $1,750 to $2,000 and for dwellings designed for elderly families from $2,250 to $2,500.

Budget program.—A low-rent public housing project is initiated by a preliminary loan contract under which the Public Housing Administration advances planning funds to the local housing authority. The Public Housing Administration does not, however, incur a legal obligation to provide the financial assistance necessary to construct and maintain the low-rent character of the project until an annual contributions contract is entered into by the Public Housing Administration and the local housing authority. The annual contributions contract is consequently treated as the point of program initiation and control. The contract provides for (1) the payment of annual contributions over a 40-year period in an amount not to exceed the interest and amortization on the bonds required to finance the project, and (2) temporary financing of development costs pending completion and permanent financing of the project.

The Housing Act of 1956 authorized the execution of new contracts for loans and annual contributions after July 31, 1956, for a total of 70,000 units. The authorization is for two consecutive annual programs of 35,000 units and each program may be executed during a period of 2 years after it becomes available. The first program of 35,000 units was authorized to begin August 1, 1956, and will terminate on July 31, 1958. The second program of 35,000 units became available July 1, 1957, and will terminate on June 30, 1959. The Housing Act of 1956 also continued the uncompleted authorization to execute contracts for loans and annual contributions contained in the housing amendments of 1955. It is anticipated that the authorized program will be placed under annual contributions contracts by the termination dates. During 1957, 3,477 units of the current authorization were placed under annual contributions contracts. The budget program plans for the execution of annual contributions contracts for a total of 33,466 units during 1958 and the remaining 33,635 units, authorized by the Housing Act of 1956, will be placed under contract in 1959.

Development progress.—At any one time, the development phase of the low-rent program constitutes a pattern of construction progress. The pattern can be divided into separate sections, each of which represents a stage in the development process. This status-by-stage analysis at respective fiscal year ends is presented in the following tabulation:

NUMBER OF DWELLING UNITS

Development stage:	*1957 actual*	*1958 estimate*	*1959 estimate*
1. Preliminary loan contract executed but site not selected	50,857	25,698	12,563
2. Site selected but annual contributions contract not executed	2,307	------	------
3. Annual contributions contract executed but construction not started	90,016	90,856	88,709
4. Construction started but not available for occupancy	15,554	36,580	57,586

This analysis indicates the development stages over the 3-year period will decrease considerably in those stages prior to the annual contributions contracts but will increase materially in the construction stage. The Public Housing Administration plans to concentrate its efforts toward the construction of units already under annual contributions contracts or authorized by the Housing Act of 1956. On June 30, 1959, only 12,563 units will remain in the preliminary loan stage. Preliminary loans and sites selected for other projects and units can only be made after the Congress authorizes the execution of new contracts for loans and annual contributions for the low-rent public housing program.

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A further review is afforded by the passing of housing units through the various development stages. The number of units passing each of the five critical stages in the development process during a fiscal year is an indication of program accomplishments. A 3-year comparison is presented in the following tabulation:

NUMBER OF DWELLING UNITS

Development action:	*1957 actual*	*1958 estimate*	*1959 estimate*
1. Preliminary loan contract executed	4,519	6,000	20,500
2. Site selected	10,198	31,159	33,635
3. Annual contributions contract executed	44,718	33,466	33,635
4. Construction started	9,994	32,626	35,782
5. Completed for occupancy	13,276	11,600	14,776

The activity shown for 1957 and 1958 reflects an increase in preliminary loan contracts executed, sites selected, and construction starts. The time lag in completing the first three stages of the development process gives a substantial workload in the construction stage of the program. As the housing units leave the construction stage, the workload in the management stage will increase correspondingly.

Loans.—The Housing Act of 1949 authorized the Public Housing Administration to have, at any one time, outstanding borrowings of $1.5 billion from Treasury. These borrowings and certain working capital funds available to the corporation are used for loans to local housing authorities. Pursuant to the annual contributions contract, Public Housing Administration makes a loan commitment to cover initial project development costs. The commitment is gradually increased over the development period, as progress warrants, up to a maximum of 90% of development costs. During the current and budget years, new loan commitments consequently reflect its new annual contributions contracts and the increase in the number of units under construction. The dollar volume of new loan commitments is estimated to increase, because of these factors, from $250 million in 1957 to $394 million in 1958 and $499 million in 1959.

The Public Housing Administration finances initial planning work and the first 3 months of construction through direct short-term development loans to local housing authorities. As soon as loans to the local authorities are of sufficient amount to make private financing practical, the local authority sells short-term temporary notes to private investors and utilizes the proceeds to repay the advance and interim notes held by the Public Housing Administration and for immediately forthcoming construction requirements. These notes are guaranteed by Public Housing Administration through the pledge by the local authority of the Public Housing Administration loan commitment. Because of this guaranty, the notes have excellent security and sold at average interest rates of slightly over 2% in 1957. These notes are issued for short periods, usually 5 months, and may be reissued several times, and in increasing amounts, before the project is completed and ready for occupancy. Consequently, during any fiscal period a considerable turnover of short-term funds takes place, with the result that the volume of loan activity by the Public Housing Administration during a fiscal year greatly exceeds the amount of loans outstanding at the fiscal year end. The anticipated increase in project construction activity during 1958 and 1959 accounts for the greatly increased volume of estimated lending operations by the Administration for both years.

The following table shows the actual financing and refinancing of development loans by Public Housing Administration and private investors during 1957 and estimated transactions during 1958 and 1959.

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Loans and investments made by Public Housing Administration to local housing authorities and others:			
Balance at beginning of year	$90	$94	$93
Acquisitions during the year	250	394	499
Repayments during the year	246	395	500
Balance at end of year	94	93	92
Loans by private investors to local housing authorities—guaranteed by Public Housing Administration:			
Balance at beginning of year	708	667	861
Acquisitions during the year	1,410	1,584	1,964
Repayments during the year	1,451	1,390	1,940
Balance at end of year	667	861	885

All short-term financing, both direct and guaranteed, is retired when the local housing authority permanently finances the project. Refunding operations affect only the distribution between direct and guaranteed loans and not the total outstanding.

Permanent financing is obtained through the sale of the local housing authority's long-term bonds to the public. These are usually 40-year serial bonds and are secured by the Government's pledge to pay annual contributions. They were sold in 1957 at interest rates ranging from 2.4867 to 2.8847%. It is estimated that $120.3 million in new local housing authority bonds will be issued in 1958 and $448 million in 1959, compared to $156.5 million in 1957.

Management.—The maximum annual contribution, which is equal to the interest and amortization on the bonds issued to permanently finance the project, is reduced to the extent that project operations provide net receipts which can be used for this purpose. Consequently a limited Public Housing Administration review of project management is not only necessary to assure that the objectives of national housing legislation are being achieved and that the obligations of the annual contributions contract are being fulfilled, but also bears directly on the cost of the program to the Federal Government. The management workload at each fiscal year end, classified according to major category and program, is shown in the table that follows:

NUMBER OF DWELLING UNITS

	1957 actual	*1958 estimate*	*1959 estimate*
Locally owned projects eligible for annual contributions	376,946	390,917	405,693
Locally owned projects paying residual receipts to the Federal Government	48,551	40,622	40,622
Federally owned and operated projects	1,936	1,462	1,462
Federally owned projects leased to local housing authorities	2,450	2,374	2,374
Total all projects	429,883	435,375	450,151

Projects not eligible for annual contributions.—Projects not eligible for annual contributions account for less than 10% of the total in 1959 and Federal funds are not required for their support.

One category is the group of locally owned projects paying residual receipts to the Federal Government. Except for a single Public Law 412 project, all of these projects originated in programs where construction costs were financed out of appropriated funds. Consequently, in the absence of interest and amortization charges, no need exists for annual contributions which otherwise would be required to pay such charges. Residual receipts, instead of being applied to reduce annual contributions, as is the case for all other locally owned projects, are paid for a period of 40 years to the Federal Government. Deficits, however, are not paid by the Federal Government. Chiefly because of the transfer of farm-labor camps, as directed by the Housing Act of 1956, and the conveyance of 3 Public Works Administration projects to local housing authorities for low-rent use, the number of dwelling units in this category will decline from 48,551 on June 30, 1957, to 40,622 on June 30, 1959.

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW-RENT PUBLIC HOUSING PROGRAM FUND—Continued

Another category consists of federally owned projects leased to local housing authorities. Leasing arrangements are merely temporary expedients until such time as projects are either sold to local housing authorities and financed by sale of local housing authority bonds under annual contributions contracts or transferred to local housing authorities under conditional conveyance contracts providing for payment of residual receipts to the Federal Government. These leased projects are scheduled for disposition by conveyance or sale as rapidly as possible.

Nonadministrative expenses.—The Administration utilizes program receipts to meet certain expenses of the low-rent public housing program, and the use of these funds correspondingly reduces the need for appropriated funds. The Congress, in order to maintain control over use of these program receipts, established a nonadministrative expense limitation. The limitation has consisted of two separate parts: (1) expenses incurred in the operation and maintenance of federally owned and operated projects, and (2) expenses incurred in the inspection of projects under construction.

Federally owned and operated projects under the low-rent public housing program represent projects that have not been sold, conveyed, or leased to local housing authorities for various reasons, such as absence of State-enabling legislation, local conditions, and the lack of congressional authority to dispose of the projects for other than low-rent use. Program receipts fluctuate from year to year, as projects are removed from the program. The estimated expenses for 1959 are based upon the disposition of 1 project during 1958 and the continued operation of 4 projects by the Public Housing Administration.

The Public Housing Administration assigns engineers and other necessary inspection staff to projects under construction for the purpose of providing continuous inspection and advice until the project is completed and ready for occupancy. The local housing authority pays a fixed fee for this service, based upon a total development cost schedule, and the receipts are used to pay the cost of inspection. The estimated cost of this inspection service for 1959 is based upon a higher number of units in the construction stage.

The category of federally owned and operated projects is declining, and by June 30, 1959, it is expected that only 1,462 dwelling units will remain.

Annual contributions.—The following table summarizes the annual contributions required to assure the low-rent character of all locally owned projects eligible for annual contributions:

	1957 actual	*1958 estimate*	*1959 estimate*
Fixed annual contributions	$116,685,509	$118,000,000	$139,000,000
Deduct: Fixed annual contributions in excess of debt service requirements for Public Law 671 projects in temporary financing	312,948	300,895	300,841
Net fixed annual contributions	116,372,561	117,699,105	138,699,159
Deduct: Amounts available to reduce annual contributions:			
Accrued interest	945,533	151,326	5,226,278
Capitalized interest	1,786,462	697,829	758,629
Residual receipts, end of initial operating period	782,323	245,789	217,505
Residual receipts, current period	22,223,430	16,804,161	18,496,747
Total amount available to reduce annual contributions	25,737,748	17,899,105	24,699,159
Annual contributions requirements	[1] 90,634,813	[2] 99,800,000	114,000,000
Number of units on which annual contributions accrue	365,896	367,911	401,214

[1] $93 million was appropriated. Refinancing operations and other factors decreased annual contributions requirements.

[2] Includes a proposed supplemental appropriation of $4,800,000 to be submitted for consideration at a later date.

Increased annual contributions requirements in 1959 are occasioned largely by the increased number of units eligible for contributions resulting from the completion and permanent financing of new and reactivated projects.

Another factor responsible for the increase in revised estimates for 1958 and estimates for 1959 is the increased operating costs, particularly for repairs, maintenance, replacements, and operating improvements.

Under the present statutory authorization, the Public Housing Administration may pay annual contributions up to $336 million per annum. The maximum amount of annual contributions which the Public Housing Administration is committed to pay, on the basis of annual contributions contracts executed through June 30, 1957, is estimated at $197 million, leaving $139 million of uncommitted authority to pay annual contributions.

Administrative expenses.—Administrative expenses for the low-rent public housing program amounted to $9,997,266 in 1957 and are estimated at $11,440,000 for 1958 and $12,200,000 for 1959.

The large number of units remaining in the various development stages during 1959, is the chief reason for the rise in administrative expenses. The average number of units in the construction stage will increase from 30,596 in 1958 to 52,256 during 1959. Dwelling units completed and reaching the management stage at year end will increase from 429,883 units in 1957 to 435,375 units in 1958 and 450,151 units in 1959 and will expand the management workload. This will require additions to certain management staff organizations, such as, audit staffs in the central and regional offices, and project fiscal management groups.

In prior years the administrative expense appropriation for the low-rent public housing program was merged with administrative expense funds of the liquidating emergency housing program. 1958 represents the last year in which administrative expense funds for both programs will be merged into a single fund.

Operating results and financial condition.—Operating revenue is not intended to be sufficient to cover all program costs. Net losses, in the budget year, are approximately equal to the appropriations for administrative expenses and annual contributions plus the losses on transfers of Public Works Administration projects to local housing authorities.

Net obligations outstanding, as shown in the schedule of certain fund balances, increase sharply from 1957 to 1959. This is due to the fact that new loan commitments exceed retirements through permanent financing of Public Housing Administration loan commitments during this period. The undisbursed loan commitment is composed of the Public Housing Administration agreement to advance planning and preliminary construction funds and the guaranty of outstanding advance and permanent loan notes held by private investors. These commitments can be met from the authority to borrow up to $1.5 billion from Treasury.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Development and management operations:			
Financing operations:			
Acquisition of loans:			
Development loans to local authorities	$249,735,445	$394,096,000	$499,289,000
Administrative and mortgage loans	104,012	50,000	50,000
Expense	1,795,841	2,212,000	2,213,000
Federally owned project operations:			
Acquisition of equipment, and operating improvements	406,416	64,000	34,300
Expense	883,580	741,500	626,000

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Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied)—Con.			
Development and management operations—Continued			
Technical service operations: Expense	$316, 658	$1, 450, 000	$1, 500, 000
Annual contributions, statutory grants	90, 634, 813	95, 000, 000	114, 000, 000
Disposition operations. Expense	11, 978	10, 000	10, 000
Administrative expenses	9, 997, 266	11, 440, 000	12, 200, 000
Working capital absorbed	648		
Total gross expenditures	353, 886, 657	505, 063, 500	629, 922, 300
Receipts from operations (funds provided):			
Development and management operations:			
Financing operations:			
Loans repaid:			
Collection of development loans from local authorities	245, 526, 941	394, 668, 000	500, 477, 000
Collection of other loans	1, 241, 670	225, 000	203, 000
Revenue	3, 128, 109	3, 482, 000	3, 445, 000
Federally owned project operations:			
Revenue	671, 339	791, 200	680, 100
Technical service operations: Revenue	527, 406	1, 331, 000	2, 273, 000
Disposition proceeds and other revenue	1, 075, 679	1, 781, 500	1, 297, 400
Adjustment of prior year transactions, net	25, 158		
Decrease in selected working capital	3, 859, 051	2, 490, 167	5, 803, 900
Total receipts from operations	256, 055, 353	404, 768, 867	514, 179, 400
Budget expenditures	97, 831, 304	100, 294, 633	115, 742, 900

Revenue, Expense, and Retained Earnings

Development and management operations:			
Financing operations:			
Revenue	$3, 128, 109	$3, 482, 000	$3, 445, 000
Expense	2, 832, 266	2, 212, 000	2, 213, 000
Net operating income, financing operations	295, 843	1, 270, 000	1, 232, 000
Federally owned project operations:			
Revenue	671, 339	791, 200	680, 100
Expense	1, 896, 489	1, 163, 500	1, 017, 000
Net operating loss (−), federally owned project operations	−1, 225, 150	−372, 300	−336, 900
Technical services operations:			
Revenue	527, 406	1, 331, 000	2, 273, 000
Expense	316, 658	1, 450, 000	1, 500, 000
Net operating income or loss (−), technical services operations	210, 748	−119, 000	773, 000
Residual receipts and disposition proceeds from projects conveyed by quitclaim deed	637, 208	989, 500	1, 254, 400
Other income	72, 716	12, 000	12, 000
Annual contributions expense, statutory grants (−)	−90, 634, 813	−95, 000, 000	−114, 000, 000
Net operating loss (−), development and management operations	−90, 643, 448	−93, 219, 800	−111, 065, 500
Disposition operations:			
Proceeds from sale of land, structures, and equipment	392, 224	780, 000	31, 000
Net book value of assets sold (−)	−1, 698, 973	−1, 349, 000	−31, 000
Loss (−) from sale of property	−1, 306, 749	−569, 000	
Direct disposition expenses (−)	−11, 978	−10, 000	−10, 000
Net loss (−) from sale of property	−1, 318, 727	−579, 000	−10, 000
Net book value of property disposed of without reimbursement and inventory adjustments (−)	−32, 725, 684	−2, 454, 000	
Amortization of conditional conveyance contracts (−)	−297, 406	−24, 000	
Total loss (−) from disposition operations	−34, 341, 817	−3, 057, 000	−10, 000
Administrative expenses (−)	−9, 997, 266	−11, 440, 000	−12, 200, 000
Net loss (−) for the year	−134, 982, 531	−107, 716, 800	−123, 275, 500
Analysis of deficit:			
Deficit (−), beginning of year	−366, 594, 002	−626, 023, 746	−734, 459, 646
Adjustment of reserve for project operations	578, 334	82, 900	−38, 700
Adjustment of reserve for technical services	−208, 202	119, 000	−773, 000
Prior year adjustment affecting working capital	25, 158		
Writeoff of book value of conditional conveyance contracts	−123, 405, 980		
Payment of property receipts to Treasury (−)	−1, 436, 523	−921, 000	−1, 086, 000
Deficit (−), end of year	−626, 023, 746	−734, 459, 646	−859, 632, 846

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury and in banks	$32, 904, 561	$38, 128, 928	$47, 500, 028
Accounts receivable, net	1, 998, 880	1, 780, 221	1, 912, 621
Advances	27, 259	25, 000	75, 000
Deferred charges	27, 856	21, 756	19, 356
Loans and investments, net	92, 589, 242	92, 037, 242	90, 871, 242
Mortgage notes receivable	2, 653, 215	2, 458, 215	2, 283, 215
Conditional conveyance contracts, net	2, 983, 019		
Land, structures, and equipment, net	19, 803, 092	15, 642, 092	15, 254, 392
Total assets	152, 987, 124	150, 102, 454	157, 915, 854
Liabilities:			
Current liabilities	33, 633, 098	35, 905, 247	41, 880, 147
Government investment:			
Interest-bearing capital:			
Start of year	38, 000, 000	41, 000, 000	41, 000, 000
Authorization to expend from public debt receipts (cancellation of notes pursuant to Public Law 176, approved July 31, 1953) (−)	−3, 671		
Borrowing from Treasury during year, net	3, 003, 671		
End of year	41, 000, 000	41, 000, 000	41, 000, 000
Non-interest-bearing capital:			
Start of year	603, 111, 359	703, 521, 786	807, 002, 767
Appropriations during year:			
Administrative expenses	10, 700, 000	11, 440, 000	12, 200, 000
Annual contributions	93, 000, 000	95, 000, 000	114, 000, 000
Return of unexpended appropriations to Treasury (−):			
Administrative expenses	−1, 261, 635		
Annual contributions	−3, 131, 786		
Assets transferred from—			
Other Government agencies	2, 530		
Other Public Housing Administration programs	8, 442, 968		
Assets transferred to—			
Other Government agencies (−)	−446		
Other Public Housing Administration programs (−)	−580		
Assets relinquished to public bodies (−)	−7, 339, 976	−2, 959, 019	
Working capital absorbed (−)	−648		
End of year	703, 521, 786	807, 002, 767	933, 202, 767
Deficit (−)	−625, 167, 760	−733, 805, 560	−858, 167, 060
Total Government investment	119, 354, 026	114, 197, 207	116, 035, 707

NOTE.—Contingent unfunded liability for commitments under annual contributions contracts covering local housing authorities bonds and notes held by private investors is as follows: 1957, $2,873,734,414; 1958, $3,141,178,414; 1959, $3,557,738,414.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$29, 862, 138	$32, 904, 561	$38, 128, 928	$47, 500, 028
Budget authorizations	1, 462, 000, 000	1, 459, 000, 000	1, 459, 000, 000	1, 459, 000, 000
Total unexpended balance	1, 491, 862, 138	1, 491, 904, 561	1, 497, 128, 928	1, 506, 500, 028
Obligated balance, net:				
Current liabilities	29, 887, 983	33, 633, 098	35, 905, 247	41, 880, 147
Undisbursed loan obligations	869, 896, 987	912, 179, 144	1, 066, 136, 144	1, 089, 621, 144
Accounts receivable, net cash in transit, management advances, and deferred charges (−)	−2, 254, 633	−2, 053, 995	−1, 835, 977	−2, 006, 977
Total obligated balance	897, 530, 337	943, 758, 247	1, 100, 205, 414	1, 129, 494, 314
Unobligated balance	594, 331, 801	548, 146, 314	396, 923, 514	377, 005, 714

Intragovernmental funds:

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, PUBLIC HOUSING ADMINISTRATION

[Public Housing Administration: Of the amounts available by or pursuant to law for the administrative expenses of the Public Housing Administration in carrying out duties imposed by or pursuant to law, including funds appropriated by title I of this Act, not to exceed $12,420,000 shall be available for such expenses] *Not to exceed the amount appropriated for such expenses by title I of this Act shall be available for the administrative expenses of the Public Housing Administration in carrying out the provisions of the United States Housing*

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PUBLIC HOUSING ADMINISTRATION—Continued

Intragovernmental funds—Continued

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, PUBLIC HOUSING ADMINISTRATION—Continued

Act of 1937, as amended (42 U. S. C. 1401–1433), including not to exceed [$950,000] *$900,000* for expenses of travel; purchase of uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); *purchase of not to exceed one passenger motor vehicle for replacement only;* and expenses of attendance at meetings of organizations concerned with the work of the Administration: *Provided*, That necessary expenses of providing representatives of the Administration at the sites of non-Federal projects in connection with the construction of such non-Federal projects by public housing agencies with the aid of the Administration, shall be compensated by such agencies by the payment of fixed fees which in the aggregate in relation to the development costs of such projects will cover the costs of rendering such services, and expenditures by the Administration for such purpose shall be considered nonadministrative expenses, *which shall not exceed $1,500,000 during the current fiscal year*, and funds received from such payments may be used only for the payment of necessary expenses of providing representatives of the Administration at the sites of non-Federal projects[: *Provided further*, That all expenses of the Public Housing Administration not specifically limited in this Act, in carrying out its duties imposed by law, shall not exceed $2,200,000]. (*Independent Offices Appropriation Act, 1958.*)

Program and Financing—Administrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Development	$4,331,970	$4,590,000	$5,180,000
2. Management	5,673,202	6,850,000	7,020,000
3. Management-disposition (liquidating emergency housing program)	1,787,397	980,000	500,000
Total obligations	11,792,569	12,420,000	12,700,000
Financing:			
Advances and reimbursements from—			
Low-rent public housing program	10,700,000	11,440,000	12,200,000
Revolving fund (liquidating programs)	1,975,000	980,000	500,000
Unobligated balance no longer available	−882,431		
Total financing	11,792,569	12,420,000	12,700,000

Budget program.—The Public Housing Administration is responsible for administering the low-rent public housing program. Under the program, administrative expenses are incurred in the performance of development and management functions.

1. *Development.*—Development expenses in 1959 will be incurred in the course of assisting local housing authorities in project planning, working out architectural, engineering, and construction problems, analyzing proposed sites, helping in land acquisition, preparing cost estimates, and rendering similar advisory services.

2. *Management.*—The Administration incurs expenses in the performance of management functions, such as, conducting management reviews of projects, analyzing and reviewing budgets submitted by local housing authorities, making fiscal and occupancy audits, undertaking inspections to insure proper maintenance of properties, and providing consulting engineering services.

The management workload for the low-rent public housing program is reflected in the number of dwelling units in management at year end as follows: 1957, 429,883; 1958, 435,375; 1959, 450,151.

Object Classification—Administrative

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,662	1,587	1,578
Average number of all employees	1,498	1,494	1,505
Number of employees at end of year	1,538	1,430	1,572
Average GS grade and salary	8.2 $6,220	8.2 $6,211	8.3 $6,293
01 Personal services:			
Permanent positions	$9,264,761	$9,403,619	$9,543,483
Other personal services	133,957	76,381	86,517
Total personal services	9,398,718	9,480,000	9,630,000
02 Travel	787,771	900,000	925,000
03 Transportation of things	13,633	16,000	43,000
04 Communication services	215,706	243,000	245,000
05 Rents and utility services	744,664	798,000	807,000
06 Printing and reproduction	44,464	52,000	51,000
07 Other contractual services	189,665	98,000	94,000
General Accounting Office audit	116,000	116,000	116,000
08 Supplies and materials	96,669	97,000	97,000
09 Equipment	176,094	32,000	65,000
11 Grants, subsidies, and contributions		580,000	620,000
13 Refunds, awards, and indemnities	3,950	5,000	6,000
15 Taxes and assessments	5,235	3,000	1,000
Total obligations	11,792,569	12,420,000	12,700,000

Program and Financing—Nonadministrative

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operation and disposition of federally operated projects	$840,338	$750,000	
2. Inspection of projects under construction	316,658	1,450,000	$1,500,000
Total obligations	1,156,996	2,200,000	1,500,000
Financing:			
Unobligated balance no longer available	1,743,004		
Limitation	2,900,000	2,200,000	1,500,000

Object Classification—Nonadministrative

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	137	257	175
Average number of all employees	112	242	173
Number of employees at end of year	129	236	175
Average GS grade and salary	9.7 $6,845	10.9 $7,073	11.6 $7,403
01 Personal services:			
Permanent positions	$642,078	$1,579,890	$1,290,400
Other personal services	7,897	17,210	14,600
Total personal services	649,975	1,597,100	1,305,000
02 Travel	10,543	80,900	97,000
03 Transportation of things	4,019	1,900	
04 Communication services	2,503	2,500	
05 Rents and utility services	184,379	169,500	
07 Other contractual services	126,472	66,000	5,000
08 Supplies and materials	79,567	94,000	7,000
09 Equipment	35,349	40,700	
11 Grants, subsidies and contributions		96,900	85,000
Payment in lieu of taxes	63,423	48,900	
15 Taxes and assessments	766	1,600	1,000
Total obligations	1,156,996	2,200,000	1,500,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Defense mobilization and civil defense activities (total obligations)	$9,520		
Financing:			
Advances and reimbursements from other accounts	9,520		

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6		
Average number of all employees	1		
Number of employees at end of year	6		
Average GS grade and salary	9.2 $7,159		
01 Personal services:			
Permanent positions	$6,570		
Other personal services			
Total personal services	6,570		
02 Travel	112		
07 Other contractual services	1,182		
08 Supplies and materials	4		
09 Equipment	1,652		
Total obligations	9,520		

Proposed for later transmission:

ANNUAL CONTRIBUTIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Annual contributions (total obligations)		$4,800,000	
Financing:			
Proposed supplemental appropriation		4,800,000	

Under existing legislation, 1958.—A supplemental appropriation for 1958 in the amount of $4,800,000 is anticipated to meet contractual obligations for payment of annual contributions on low-rent public housing projects.

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

HOUSING AND HOME FINANCE AGENCY

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
OFFICE OF THE ADMINISTRATOR								
Salaries and expenses						13		To furnish transportation to project sites for regular engineering inspection and supervision of construction projects financed in whole or in part with funds of programs administered by the Office of the Administrator—such projects located in areas not served by the General Services Administration motor pool, and which projects are normally not readily accessible by public transportation facilities.
FEDERAL HOUSING ADMINISTRATION								
Limitation on administrative and nonadministrative expenses, Federal Housing Administration.							$530	Transportation for the Commissioner, Deputy Commissioner and other officials of the Federal Housing Administration to and from official meetings and conferences in Washington, D. C.
PUBLIC HOUSING ADMINISTRATION								
Limitation on administrative and nonadministrative expenses, Public Housing Administration.	1	$1,400	1	$150	$1,250	2	25,000	Public Housing Administration employees. Transportation in the administration of official business when the use of common carrier is not practicable. Hire of motor vehicles from commercial firms will be made only in areas where a Government vehicle is not available for hire from the General Services Administration.
Total, Housing and Home Finance Agency.	1	1,400	1	150	1,250	15	25,530	

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Of the $5 billion of estimated expenditures in the fiscal year 1959 by the Department of Agriculture, 92% is for activities classified as agriculture and agricultural resources, including 65% for stabilization of farm prices and farm income and 27% for loans, conservation, research and other services.

The remaining 8% of the Department's expenditures are for grants of agricultural commodities to peoples in other countries, classified under international affairs and finance; cash contributions for school lunches, classified under labor and welfare; Forest Service programs, classified under natural resources; and farm housing loans, classified under commerce and housing.

Stabilization of farm prices and income—Commodity Credit Corporation.—Net expenditures of the Commodity Credit Corporation for price support operations and related programs are estimated to be $2.4 billion in the fiscal year 1959, compared with $2.7 billion in 1958 and $2.7 billion in 1957. These expenditures consist largely of gross outlays for loans, commodity purchases, payments to producers, storage and transportation costs, and operating expenses; less applicable receipts, which are principally from commodity sales and collections on loans. The expenditure figure for 1957 has been made comparable to the figures for 1958 and 1959 by excluding from 1957 the costs of the soil bank programs which were financed in that year from Corporation funds. The Corporation also finances certain other programs of the Department, not related to price support, which it is estimated will result in budget expenditures of $105 million in 1959.

During the fiscal year 1959, it is estimated that the Corporation will acquire agricultural commodities costing $3 billion. This is a $548 million reduction from the current year and a still greater reduction from the two preceding years. Commodities are acquired by direct purchase or by taking over commodities pledged as security for price support loans.

The budget also estimates that in the fiscal year 1959 the Corporation will dispose of agricultural commodities representing an investment of $3.4 billion, principally through sales and donations. Thus commodity dispositions are expected to exceed commodity acquisitions by $360 million in 1959, compared with an excess of commodity dispositions of $102 million in 1958 and $612 million in 1957. For the 3-year period, this estimated reduction of almost $1.1 billion in the commodity inventory, combined with an estimated reduction of $865 million in outstanding loans, will reduce the estimated investment of the Corporation at the end of fiscal year 1959 by more than $1.9 billion below that reached in the peak year 1956.

TABLE 1. COMMODITY CREDIT CORPORATION: COMMODITY INVENTORY OPERATIONS AND INVESTMENT IN COMMODITIES AND LOANS, 1953–59

[In millions]

Year	Commodity acquisitions (fiscal year)	Commodity dispositions (fiscal year)	Investment (end of fiscal year)		
			Commodity inventory	Loans	Total
1953	$1,886	$604	$2,413	$1,177	$3,590
1954	3,026	1,712	3,728	2,394	6,122
1955	3,435	2,173	4,989	2,145	7,134
1956	3,741	2,747	5,984	2,333	8,317
1957	3,715	4,327	5,372	1,994	7,366
1958 estimate	3,573	3,675	5,269	1,525	6,794
1959 estimate	3,025	3,385	4,910	1,468	6,378

Realized costs and losses from all operations financed by the Corporation last year amounted to almost $4.2 billion and are expected to continue at a high level in 1958 and 1959 (see table 2). Disposition of price-supported commodities usually involves losses, since the commodities are generally sold for less than the Corporation's investment. Realized costs and losses also include such items as payments under the International Wheat Agreement and the National Wool Act, and the investment in commodities donated to friendly peoples abroad or sold for foreign currencies. The costs and losses from sales of surplus commodities for foreign currencies consist of the Corporation's investment in the commodities and the shipping expenses borne by the Corporation, less the dollar value of the relatively small portion of the foreign currencies sold to other Government agencies.

TABLE 2. REALIZED COSTS AND LOSSES, PROGRAMS FINANCED BY COMMODITY CREDIT CORPORATION, FISCAL YEARS 1953–59

[In millions]

Activity	1953	1954	1955	1956	1957	1958 estimate	1959 estimate
Price support, supply, and purchase programs:							
Regular activities	$114	$589	$930	$1,240	$1,760	$1,622	$1,751
National Wool Act				2	61	59	35
Transfer of bartered commodities to supplemental stockpile					217	79	70
International Wheat Agreement	131	59	100	92	90	111	113
Sales of surplus commodities for foreign currencies			130	615	1,338	1,266	975
Emergency assistance to friendly peoples		74	91	94	125	105	106
Emergency feed program		112					
Soil bank				4	548	16	
Other	2	6	14	19	20	22	6
Total	247	840	1,265	2,066	4,159	3,280	3,056

Although the realized costs and losses of the Commodity Credit Corporation approximate net budget expenditures over an extended period of years, they may diverge sharply for any short period, and tend to be large in years of heavy inventory disposition. Since receipts of the Corporation also tend to be large in years of heavy inventory dispositions, net budget expenditures could be very small or even negative for the same years that realized losses are large. In 1957, a year of heavy inventory disposition, realized costs and losses were $4.2 billion and net budget expenditures of the Corporation were $3.4 billion, including expenditures for the soil bank in that year.

The costs and losses of the Corporation incurred in its operations necessitate appropriations to reimburse the Corporation and to restore its capital. The budget includes an anticipated 1958 supplemental appropriation of $2.3 billion and a recommended 1959 appropriation of $1.8 billion for these purposes.

The budget provides for the President's recommendation for a 1-year extension of title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), under which commodities are sold for foreign currencies. It is proposed that this extension of title I also increase the total authority for reimbursement of the Commodity Credit Corporation for costs and losses under this program from the present limit of $4 billion to $5.5 billion.

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Allocations to Federal agencies of the foreign currencies received from sales under title I of Public Law 480 are shown in this document in a separate schedule under Funds Appropriated to the President, miscellaneous accounts. The uses made by the agencies (i. e., obligations and expenditures) are reported with other budget schedules of the using agencies. Permitted uses are specified in Public Law 480 and intended uses are further specified in each sales agreement. Table 3 shows the principal programs using these currencies and estimates of the dollar equivalent of the foreign currency expenditures.

TABLE 3. EXPENDITURES OF FOREIGN CURRENCIES OBTAINED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

[Stated in equivalents of millions of dollars]

Type of use, chapter of document, and agency	Program	1957 actual	1958 estimate	1959 estimate
Use for loans or grants to foreign countries:				
Funds Appropriated to the President: Mutual security program.	Military assistance	13.1	63.8	10.0
	Defense support	----------	36.6	22.0
	Economic, technical, and other assistance.	89.2	329.8	401.9
Independent offices: Export-Import Bank.	Loans	----------	1.5	10.0
Use by U. S. agencies without reimbursement to Commodity Credit Corporation:				
Independent offices: United States Information Agency.	Salaries and expenses (assistance to binational centers, translation and distribution of publications).	----------	.9	2.3
Department of Agriculture: Foreign Agricultural Service.	Market development	2.0	8.5	9.6
Department of State: Educational exchange.	International educational exchange activities.	.5	3.9	6.3
Use by U. S. agencies with long-term reimbursement to Commodity Credit Corporation:				
Department of Defense—Military Functions.	Interservice activities (military family housing).	15.9	45.0	25.0
Use by U. S. agencies with reimbursement to Treasury.	Various (not separately identified).	64.8	66.1	81.6
Total		185.5	556.1	568.7

Other programs to stabilize farm prices and income.—The budget includes an estimated $873 million of expenditures in 1959 for stabilization of farm prices and income in addition to the operations of the Commodity Credit Corporation. The largest of these other programs is the acreage reserve part of the soil bank, for which expenditures of $405 million are estimated. Rental payments under the conservation reserve of the soil bank are estimated to be $199 million (this excludes soil bank payments for conservation practices which are classified under conservation of agricultural land and water resources). Payments to sugar growers are estimated to be $75 million. Expenditures for removal from the market of perishable commodities in temporary surplus are expected to be $150 million; the major portion of the commodities purchased are donated to schools and welfare agencies.

Financing rural electrification and telephones.—The budget includes new lending authority of $150 million to finance rural electrification and $56 million to finance rural telephone systems for the fiscal year 1959. This is less than the amounts for 1957 and 1958 as legislation will be proposed to assist borrowers to obtain funds from private lenders. Expenditures in 1959 are estimated to rise, mainly because of the disbursements to borrowers under lending authority enacted for previous years.

Financing farm ownership and operation.—The budget provides $208 million of new obligational authority for the Farmers' Home Administration in 1959, a reduction from the amounts for 1957 and 1958. The budget recommendation takes into account legislation to be proposed to facilitate expansion of insured real estate loans, which is expected to reduce the amount of direct loan authority needed.

Conservation of agricultural land and water resources.—Expenditures for soil conservation are increasing, chiefly because soil bank payments to farmers to share the cost of conservation practices on cropland shifted into grass or trees are estimated to rise from $86 million in 1958 to $152 million in 1959. Other payments for conservation practices under the Agricultural Conservation Program are estimated to be $227 million. These payments for 1959 were authorized in the 1958 appropriation act. The budget proposes reducing the advance authorization for payments for the 1959 crop year, which would be made primarily in the fiscal year 1960, to $125 million. Technical guidance by the Soil Conservation Service in 1959 will be continued at about the 1958 level, as will the watershed protection and flood prevention programs.

Research and other agricultural services.—Expenditures on research to promote industrial uses of agricultural commodities will be increased from approximately $14 million in 1958 to $19 million in 1959. In addition, arrangements are being made to use up to $5 million of foreign currencies received from the sale of surplus agricultural commodities for research contracts abroad.

Other functions.—Cash contributions to States and local governments for school lunches are continued at the same amount in 1959 as in 1957 and 1958. The Forest Service will continue its research, management, and maintenance work at existing levels. Expenditures of $106 million in 1959 for emergency grants of commodities to other countries will be reimbursed to the Commodity Credit Corporation in subsequent years from appropriated funds. Loan disbursements for farm housing under the program authorized in 1957 are expected to decline from $30 million in 1958 to $12 million in 1959.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
International affairs and finance:						
152 Economic and technical development	$88,629	$220,245		$124,891	$105,439	$105,812
Labor and welfare:						
217 Other welfare services and administration	100,000	100,000	$100,000	99,188	100,000	100,000
Agriculture and agricultural resources:						
351 Stabilization of farm prices and farm income	3,909,299	5,173,760	2,666,842	3,510,522	3,627,657	3,253,194
352 Financing farm ownership and operation	270,760	248,820	207,640	255,085	261,499	206,110
353 Financing rural electrification and rural telephones	522,425	248,031	215,019	267,262	338,875	376,009
354 Conservation and development of agricultural land and water resources	342,766	440,880	496,460	350,779	442,293	491,070
355 Research and other agricultural services	250,010	279,000	261,353	226,876	259,350	279,016
Total, agriculture and agricultural resources	5,295,260	6,390,491	3,847,313	4,610,525	4,929,674	4,605,398
Natural resources:						
402 Conservation and development of forest resources	151,674	166,376	159,289	150,485	161,438	157,926
Commerce and housing:						
517 Farm housing	450,000			20,910	29,952	12,200
Total, Department of Agriculture	6,085,563	6,877,112	4,106,602	5,005,998	5,326,502	4,981,336

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
AGRICULTURAL RESEARCH SERVICE							
Current authorizations:							
Salaries and expenses	355	$93,799,555	$104,702,890	$120,202,890	$86,781,183	$102,730,000	$119,115,000
State experiment stations	355	29,753,708	30,603,708	30,603,708	29,336,113	30,749,500	30,582,000
Diseases of animals and poultry	355	3,129,000			2,770,733	750,000	125,000
Reappropriation	355	50,000	44,261				
Reimbursements to Commodity Credit Corporation for advances for animal disease eradication activities	355	13,060,954	18,581,660		13,051,977	18,581,660	
Animal disease laboratory facilities	355	16,250,000			6,144	800,000	8,000,000
Research facilities	355				1,130,775	800,000	17,390
Research on strategic and critical agricultural materials	355	314,000			297,849	45,000	
Salaries and expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration	355				66,147		
Salaries and expenses, Bureau of Dairy Industry, Agricultural Research Administration	355				4,700		
Salaries and expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration	355				30,600		
Intragovernmental funds:							
Working capital fund, Agricultural Research Center	355				35,823	−35,823	
Advances and reimbursements	355					764	
Proposed for later transmission (under existing legislation):							
Reimbursements to Commodity Credit Corporation for advances for animal disease eradication activities	355		18,942,413			18,942,413	
Total, Agricultural Research Service		156,357,217	172,874,932	150,806,598	133,512,044	173,363,514	157,839,390
EXTENSION SERVICE							
Current authorizations:							
Cooperative extension work, payments and expenses	355	53,265,000	60,235,540	60,159,395	51,943,980	59,156,715	60,276,707
FARMER COOPERATIVE SERVICE							
Current authorizations:							
Salaries and expenses	355	520,000	578,000	578,000	504,518	555,000	569,000
Intragovernmental funds:							
Advances and reimbursements	355				−44,910	−22,000	−3,000
Total, Farmer Cooperative Service		520,000	578,000	578,000	459,608	533,000	566,000
SOIL CONSERVATION SERVICE							
Current authorizations:							
Conservation operations	354	67,175,000	72,545,000	72,280,000	65,911,765	71,289,000	71,400,000
Watershed protection	354	17,500,000	25,500,000	14,000,000	11,275,543	16,950,000	20,000,000
Flood prevention	354	12,000,000	13,220,000	13,220,000	10,551,549	13,144,000	13,000,000
Water conservation and utilization projects	354	232,000	350,000	335,000	342,591	350,000	345,000
Great Plains conservation program	354		10,000,000	10,000,000		3,000,000	6,500,000
Total, Soil Conservation Service		96,907,000	121,615,000	109,835,000	88,081,448	104,733,000	111,245,000
AGRICULTURAL CONSERVATION PROGRAM SERVICE							
Current authorizations:							
Agricultural conservation program	354	227,500,000	212,000,000	235,000,000	261,104,105	220,000,000	232,000,000
Emergency conservation measures	354	4,000,000	20,000,000		930,800	7,000,000	
Total, Agricultural Conservation Program Service		231,500,000	232,000,000	235,000,000	262,034,905	227,000,000	232,000,000
AGRICULTURAL MARKETING SERVICE							
Current authorizations:							
Marketing research and service	355	26,020,000	29,691,600	35,292,000	25,167,108	29,565,000	35,175,000
Payments to States, Territories, and possessions	355	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000
School lunch program	217	100,000,000	100,000,000	100,000,000	99,187,683	100,000,000	100,000,000
Reimbursement to Commodity Credit Corporation for advances for grading and classing activities	355	367,740	80,449		366,927	80,449	
Agricultural Marketing Act	355				32,758		
Research and Marketing Act of 1946	355				20,250		
Permanent authorizations:							
Perishable Agricultural Commodities Act fund (indefinite special account)	355	532,690	662,000	679,600	524,830	654,700	678,600
Removal of surplus agricultural commodities (indefinite)	351	195,616,888	216,227,007	227,850,000	171,099,578	150,000,000	150,000,000
Intragovernmental funds:							
Advances and reimbursements	355				−128,407	−60,000	81,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL MARKETING SERVICE—Continued							
Proposed for later transmission (under existing legislation):							
Reimbursement to Commodity Credit Corporation for advances for grading and classing activities	355		$1,139,982			$1,139,982	
Total, Agricultural Marketing Service		$323,697,318	348,961,038	$364,981,600	$297,430,727	282,540,131	$287,094,600
FOREIGN AGRICULTURAL SERVICE							
Current authorizations:							
Salaries and expenses	355	3,725,000	4,002,300	4,002,300	3,451,161	4,111,000	4,090,000
Intragovernmental funds:							
Advances and reimbursements	355				2,133	64	
Total, Foreign Agricultural Service		3,725,000	4,002,300	4,002,300	3,453,294	4,111,064	4,090,000
COMMODITY EXCHANGE AUTHORITY							
Current authorizations:							
Salaries and expenses	355	787,400	832,000	832,000	779,988	835,000	831,756
SOIL BANK PROGRAMS							
Current authorizations:							
Conservation reserve program:							
Practice payments:							
Authorization to expend from debt receipts	354	13,868,464			13,121,279	494,804	
Current appropriation	354		86,840,000	151,200,000		85,840,000	152,200,000
Other:							
Authorization to expend from debt receipts	351	24,977,316			24,125,009	−977,078	
Current appropriation	351		76,100,000	198,800,000		75,759,470	198,650,000
Acreage reserve program:							
Authorization to expend from debt receipts	351	525,415,183			510,787,930	−2,531,864	
Current appropriation	351		600,000,000	330,000,000		524,958,500	404,996,000
Proposed for later transmission (under existing legislation):							
Repayment to Commodity Credit Corporation for costs incurred under soil bank programs	351		22,479,920			22,479,920	
Total, soil bank programs		564,260,963	785,419,920	680,000,000	548,034,218	706,023,752	755,846,000
COMMODITY STABILIZATION SERVICE							
Current authorizations:							
Acreage allotments and marketing quotas	351	40,640,000	40,715,000	39,715,000	40,271,363	40,760,725	39,717,000
Sugar Act program	351	67,600,000	67,662,500	76,000,000	66,975,780	71,400,000	74,930,000
Special commodity disposal programs:							
International Wheat Agreement	351	101,130,155	92,930,611		101,130,155	92,930,611	
Emergency famine relief to friendly peoples	152	88,628,927	94,483,518		88,628,927	94,483,518	
Sales of surplus agricultural commodities for foreign currencies	351	67,477,228	637,000,000		67,477,228	637,000,000	
Transfer of hay and pasture seeds	351	184,678			183,945		
Administrative expenses, payments for agricultural adjustment	355				200		
Permanent authorizations:							
Reimbursement to Commodity Credit Corporation, National Wool Act (indefinite)	351	2,020,975	29,671,679	30,000,000	2,020,975	29,671,679	30,000,000
Intragovernmental funds:							
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938	355				−1,146,938	−58,000	1,021,000
Local administration, sec. 388, Agricultural Adjustment Act of 1938	354				−3,441,288	−797,434	6,017,267
Proposed for later transmission:							
Under existing legislation:							
Reimbursement to Commodity Credit Corporation, special commodity disposal programs:							
International Wheat Agreement	351		89,996,331			89,996,331	
Emergency famine relief to friendly peoples	152		125,761,388			125,761,388	
Sales of surplus agricultural commodities for foreign currencies	351		1,290,841,000			1,290,841,000	
Grain for migratory waterfowl feed	351		4,609			4,609	
Transfer of bartered materials to supplemental stockpile	351		218,946,145			218,946,145	
Under proposed legislation:							
Acreage allotments and marketing quotas	351			−2,300,000			−2,200,000
Total, Commodity Stabilization Service		367,681,963	2,688,012,781	143,415,000	362,100,347	2,690,940,572	149,485,267
COMMODITY CREDIT CORPORATION							
Public enterprise funds:							
Restoration of capital impairment (current appropriation)	351	929,287,178	1,239,788,671	1,760,399,886			
Increase in borrowing authority (authorization to expend from debt receipts)	351	2,500,000,000					
Transfer of authorization to finance soil bank programs	351	−564,260,963			1,420,969,503	1,174,227,384	1,187,483,626
Price support, supply, and related programs	351						
Limitation on administrative expenses		(33,000,000)	(35,398,000)	(36,100,000)			

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
COMMODITY CREDIT CORPORATION—Continued							
Public enterprise funds—Continued							
Effect of proposed for later transmission item shown elsewhere in this chapter: Reimbursement for transfer of bartered materials to supplemental stockpile	351					−$218,946,145	
Proposed for later transmission:							
Under existing legislation:							
Return of authorization from soil bank programs (appropriation)	351		$545,020,080				
Under proposed legislation:							
Special milk programs	351						$75,000,000
Total, public enterprise funds		$2,865,026,215	1,784,808,751	$1,760,399,886	$1,420,969,503	955,281,239	1,262,483,626
Intragovernmental funds:							
Loan to Secretary of Agriculture for conservation program	354				−12,950,000	23,800,000	−4,800,000
Soil bank programs	351				−167,262,978	185,929,456	
Transfers and other costs for the eradication of vesicular exanthema	355				137,585	−561,628	1,071,700
Transfers and other costs for the eradication of brucellosis in cattle	355				5,596,314	1,089,523	674,250
Cotton classing and tobacco grading	355				880,919	1,599,972	1,758,135
Transfer of hay and pasture seeds to Federal land administering agencies	351				−183,945		
International Wheat Agreement	351				−11,058,789	18,131,441	112,672,000
Sales of surplus agricultural commodities for foreign currencies	351				1,270,407,981	601,295,776	880,056,000
Emergency assistance to friendly peoples	152				36,261,713	10,955,212	105,812,000
Grain for migratory waterfowl	351				4,609	27,250	27,550
Effect of certain proposed for later transmission items shown elsewhere in this chapter:							
Under existing legislation:							
Soil bank programs, interest	351					−22,479,920	
Transfers and other costs for the eradication of vesicular exanthema	355					−1,393,490	
Transfers and other costs for the eradication of brucellosis in cattle	355					−17,548,923	
Cotton classing and tobacco grading	355					−1,139,982	
International Wheat Agreement	351					−89,996,331	
Sales of surplus agricultural commodities for foreign currencies	351					−1,290,841,000	
Emergency famine relief to friendly peoples	152					−125,761,388	
Grain for migratory waterfowl feed	351					−4,609	
Proposed for later transmission (under proposed legislation):							
Sales of surplus agricultural commodities for foreign currencies	351					28,000,000	95,000,000
Total, intragovernmental funds					1,121,833,409	−678,898,641	1,192,271,635
Total, Commodity Credit Corporation		2,865,026,215	1,784,808,751	1,760,399,886	2,542,802,912	276,382,598	2,454,755,261
FEDERAL CROP INSURANCE CORPORATION							
Current authorizations:							
Operating and administrative expenses	351	6,210,000	6,376,700	6,376,700	6,209,414	7,654,000	6,376,000
Public enterprise funds:							
Investment in Federal Crop Insurance Corporation (current appropriation)	351	13,000,000			7,364,530	−6,580,292	485,500
Federal Crop Insurance Corporation fund	351						
Total, Federal Crop Insurance Corporation		19,210,000	6,376,700	6,376,700	13,573,944	1,073,708	6,861,500
RURAL ELECTRIFICATION ADMINISTRATION							
Current authorizations:							
Loan authorizations (authorization to expend from debt receipts)	353	514,000,000	239,000,000	206,000,000	258,917,865	330,000,000	367,000,000
Salaries and expenses	353	8,425,000	9,030,950	9,019,000	8,344,291	8,874,650	9,009,000
Total, Rural Electrification Administration		522,425,000	248,030,950	215,019,000	267,262,156	338,874,650	376,009,000
FARMERS' HOME ADMINISTRATION							
Current authorizations:							
Loan authorizations (authorization to expend from debt receipts):							
Farm ownership, farm operating, and soil and water conservation	352	235,500,000	209,500,000	175,000,000	210,950,574	230,856,000	175,600,000
Farm housing	517	450,000,000			20,910,401	29,952,000	12,200,000
Salaries and expenses	352	27,635,000	29,089,500	29,089,500	27,533,491	28,850,000	28,976,000
Public enterprise funds:							
Disaster loans, etc., revolving fund	352				9,673,689	−8,465,807	−1,783,100
Farm tenant-mortgage insurance fund (indefinite permanent authorization to expend from debt receipts)	352	7,625,000	10,230,000	3,550,000	6,927,570	10,259,000	3,317,000
Total, Farmers' Home Administration		720,760,000	248,819,500	207,639,500	275,995,725	291,451,193	218,309,900

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
OFFICE OF THE GENERAL COUNSEL							
Current authorizations:							
Salaries and expenses	355	$2,715,000	$2,943,000	$3,043,000	$2,676,217	$2,938,000	$3,025,000
OFFICE OF THE SECRETARY							
Current authorizations:							
Salaries and expenses	355	2,500,000	2,660,660	2,660,660	2,448,913	2,615,000	2,661,000
Intragovernmental funds:							
Working capital fund, Department of Agriculture	355				144,221	−52,143	−31,501
Advances and reimbursements	355				611		
Total, Office of the Secretary		2,500,000	2,660,660	2,660,660	2,593,745	2,562,857	2,629,499
OFFICE OF INFORMATION							
Current authorizations:							
Salaries and expenses	355	1,325,000	1,367,500	1,367,500	1,551,411	1,350,000	1,350,000
LIBRARY							
Current authorizations:							
Salaries and expenses	355	735,000	772,000	772,000	735,319	769,851	770,231
FOREST SERVICE							
Current authorizations:							
Forest protection and utilization	402		93,830,000	92,680,000		81,650,000	91,500,000
Forest roads and trails	402	24,000,000	24,336,000	23,099,000	26,457,384	22,660,000	22,500,000
Acquisition of land for national forests:							
Cache National Forest	402	50,000	50,000	50,000		50,000	50,000
Superior National Forest	402	500,000	500,000	300,000	200,931	370,000	370,000
Special acts	402	9,807	10,000	10,000	18,975	10,000	10,000
Weeks Act	402	100,000			191,381	100,000	16,000
Cooperative range improvements	402	699,941	700,000	700,000	727,891	700,000	700,000
Assistance to States for tree planting	402		500,000			465,000	30,000
Salaries and expenses	402	71,170,750			70,942,177	7,500,000	80,000
State and private forestry cooperation	402	12,190,000			11,544,308	1,570,000	20,000
Permanent authorizations:							
Expenses, brush disposal (indefinite special account)	402	2,873,212	4,500,000	4,500,000	3,404,639	4,350,000	4,350,000
Roads and trails for States, national forests funds (indefinite special account)	402	11,398,646	10,788,500	10,788,500	9,657,988	11,277,800	10,788,500
Miscellaneous permanent appropriations:							
Forest fire prevention (indefinite special account)	402	15,585	15,000	15,000	26,718	15,000	15,000
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special account)	402	46,497	48,000	48,000	46,497	48,000	48,000
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special account)	354	490,565	425,000	425,000	491,389	425,000	425,000
Payments to school funds, Arizona and New Mexico, act of June 20, 1910 (receipt limitation) (indefinite)	402	129,404	129,400	129,400	129,404	129,400	129,400
Payments to States and Territories from the national forests fund (indefinite special account)	402	28,490,343	26,969,200	26,969,200	28,490,343	26,969,200	26,969,200
Intragovernmental funds:							
Working capital fund, Forest Service	402				−1,421,766	−41,234	−50,000
Advances and reimbursements	402				67,769	14,669	
Proposed for later transmission (under existing legislation):							
Forest protection and utilization	402		4,000,000			3,600,000	400,000
Total, Forest Service		152,164,750	166,801,100	159,714,100	150,976,028	161,862,835	158,351,100
Total new obligational authority and budget expenditures		6,085,562,826	6,877,111,672	4,106,602,239	5,005,998,016	5,326,502,440	4,981,336,211
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$4,072,872,058	$3,811,769,757	$3,422,947,539			
Authorizations to expend from debt receipts		1,763,400,963	448,500,000	381,000,000			
Reappropriations		50,000	44,261		$5,005,998,016	$5,294,902,440	$4,813,136,211
Permanent authorizations:							
Appropriations		241,614,805	289,435,786	301,404,700			
Authorizations to expend from debt receipts		7,625,000	10,230,000	3,550,000			
Proposed for later transmission:							
Appropriations			2,317,131,868	−2,300,000		31,600,000	168,200,000
Total new obligational authority and budget expenditures		6,085,562,826	6,877,111,672	4,106,602,239	5,005,998,016	5,326,502,440	4,981,336,211

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
COMMODITY CREDIT CORPORATION										
Commodity Credit Corporation fund	351	$4,698,340	$4,398,391	$4,007,552	$3,277,371	$3,224,164	$2,820,068	$1,420,969	$1,174,227	$1,187,484
Proposed for later transmission:										
Under existing legislation: Reimbursements for transfer of bartered materials to supplemental stockpile	351					218,946			−218,946	
Under proposed legislation: Special milk programs	351			75,000						75,000
FEDERAL CROP INSURANCE CORPORATION										
Federal Crop Insurance Corporation fund	351	30,362	13,360	24,715	22,997	19,940	24,229	7,365	−6,580	486
FARMERS' HOME ADMINISTRATION										
Disaster loans, etc., revolving fund	352	92,444	53,746	54,865	82,770	62,212	56,648	9,674	−8,466	−1,783
Farm tenant-mortgage insurance fund	352	10,619	16,171	9,322	3,692	5,912	6,005	6,927	10,259	3,317
Total, public enterprise funds		4,831,765	4,481,668	4,171,454	3,386,830	3,531,174	2,906,950	1,444,935	950,494	1,264,504

ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959.			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
AGRICULTURAL RESEARCH SERVICE											
Current authorizations:											
Salaries and expenses	$7	$9,591		$14,499		$16,372	$120,203	$104,500	$14,615		$17,460
State experiment stations		45		305		159	30,604	30,430	152		181
Diseases of animals and poultry		720		911		205			125		80
Animal disease laboratory facilities	221	224	$15,765	16,468	$2,529	15,668			8,000	$1,279	7,668
Research facilities	786	1,948	277	817		17			17		
Research on strategic and critical agricultural materials		40		49		4					4
Salaries and expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration		150									
Salaries and expenses, Bureau of Animal Industry, Agricultural Research Administration		1									
Salaries and expenses, Bureau of Dairy Industry, Agricultural Research Administration		10									
Salaries and expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration		39									
Intragovernmental funds:											
Working capital fund, Agricultural Research Center	264	322	383	286	342	322				352	322
Advances and reimbursements				1							
Total, Agricultural Research Service	1,278	13,090	16,425	33,336	2,871	32,747	150,807	134,930	22,909	1,631	25,715
EXTENSION SERVICE											
Current authorizations:											
Cooperative extension work, payments and expenses		812		1,484		2,512	60,159	58,797	1,480		2,394
FARMER COOPERATIVE SERVICE											
Current authorizations:											
Salaries and expenses		37		41		64	578	505	64		73
Intragovernmental funds:											
Advances and reimbursements				34		56			−3		59
Total, Farmer Cooperative Service		37		75		120	578	505	61		132

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
SOIL CONSERVATION SERVICE											
Current authorizations:											
Conservation operations		$4,282		$4,693		$5,765	$72,280	$66,700	$4,700		$6,645
Watershed protection	$2,604	6,275	$7,150	12,500	$10,839	21,050	14,000	6,000	14,000		15,050
Flood prevention	1,740	4,648	1,583	6,096		6,172	13,220	6,900	6,100		6,392
Water conservation and utilization projects	126	156	16	45		45	335	300	45		35
Great Plains conservation program						7,000	10,000	3,000	3,500		10,500
Total, Soil Conservation Service	4,470	15,361	8,749	23,334	10,839	40,032	109,835	82,900	28,345		38,622
AGRICULTURAL CONSERVATION PROGRAM SERVICE											
Current authorizations:											
Agricultural conservation program	17	56,582	16	22,556		14,556	235,000	217,444	14,556		17,556
Emergency conservation measures			3,069	3,069							
Total, Agricultural Conservation Program Service	17	56,582	3,085	25,625		14,556	235,000	217,444	14,556		17,556
AGRICULTURAL MARKETING SERVICE											
Current authorizations:											
Marketing research and service		2,766		3,180		3,264	35,292	32,355	2,820		3,381
Payments to States, Territories, and possessions							1,160	1,160			
School lunch program		367		890		890	100,000	99,125	875		890
Agricultural Marketing Act		49									
Research and Marketing Act of 1946		34									
Permanent authorizations:											
Perishable Agricultural Commodities Act fund (indefinite special account)	304	335	312	343	309	350	680	329	350	$309	351
Removal of surplus agricultural commodities (indefinite)	244,701	293,554	297,949	318,074	300,000	320,125	227,850		150,000	300,000	[1] 320,125
Intragovernmental funds:											
Advances and reimbursements			20	72		132			81		51
Total, Agricultural Marketing Service	245,005	297,105	298,281	322,559	300,309	324,761	364,982	132,969	154,126	300,309	324,798
FOREIGN AGRICULTURAL SERVICE											
Current authorizations:											
Salaries and expenses		566		771		662	4,002	3,428	662		574
Intragovernmental funds:											
Advances and reimbursements		2									
Total, Foreign Agricultural Service		568		771		662	4,002	3,428	662		574
COMMODITY EXCHANGE AUTHORITY											
Current authorizations:											
Salaries and expenses		38		42		39	832	793	39		39
SOIL BANK PROGRAMS											
Current authorizations:											
Conservation reserve program:											
Authorization to expend from debt receipts			1,003	1,599							
Current appropriation						1,340	350,000	349,638	1,212		490
Acreage reserve program:											
Authorization to expend from debt receipts			14,607	14,627							
Current appropriation						75,042	330,000	329,962	75,034		46
Total, soil bank programs			15,610	16,226		76,382	680,000	679,600	76,246		536
COMMODITY STABILIZATION SERVICE											
Current authorizations:											
Acreage allotments and marketing quotas		33		117		71	39,715	39,665	52		69
Sugar Act program		3,986		4,614		877	76,000	74,130	800		1,947
Permanent authorizations:											
Reimbursement to Commodity Credit Corporation, National Wool Act (indefinite)							30,000	30,000			

[1] Excludes unobligated balance expiring in 1959 of $77,850 thousand.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
COMMODITY STABILIZATION SERVICE—Continued											
Intragovernmental funds:											
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938	$177	$1,350	$986	$2,364		$2,422		−$1,401	$2,422		$1,401
Local administration, sec. 388, Agricultural Adjustment Act of 1938	3,837	5,128	5,052	7,020		7,817		−1,800	7,817		1,800
Proposed for later transmission (under proposed legislation):											
Acreage allotments and marketing quotas							−$2,300	−2,200			−100
Total, Commodity Stabilization Service	4,014	10,497	6,038	14,115		11,187	143,415	138,394	11,091		5,117
COMMODITY CREDIT CORPORATION											
Public enterprise funds:											
Commodity Credit Corporation fund:											
Cash		29,459		44,682		39,349	1,760,400	1,760,400	524,355		34,994
Authorization to expend from debt receipts	−163,991	810,000	316,967	1,117,000	$2,031,130	2,678,000				$1,462,631	2,158,000
Proposed for later transmission (under proposed legislation):											
Special milk program									75,000		−75,000
Total, public enterprise funds	−163,991	839,459	316,967	1,161,682	2,031,130	2,717,349	1,760,400	1,760,400	599,355	1,462,631	2,117,994
Intragovernmental funds:											
Proposed for later transmission (under proposed legislation):											
Sales of surplus agricultural commodities for foreign currencies						−28,000			95,000		−123,000
Total, Commodity Credit Corporation	−163,991	839,459	316,967	1,161,682	2,031,130	2,689,349	1,760,400	1,760,400	694,355	1,462,631	1,994,994
FEDERAL CROP INSURANCE CORPORATION											
Current authorizations:											
Operating and administrative expenses		1,511		1,514		236	6,377	6,141	235		237
Public enterprise funds:											
Federal Crop Insurance Corporation fund	15,294	16,133	21,538	21,768	25,501	28,349			486	24,833	27,863
Total, Federal Crop Insurance Corporation	15,294	17,644	21,538	23,282	25,501	28,585	6,377	6,141	721	24,833	28,100
RURAL ELECTRIFICATION ADMINISTRATION											
Current authorizations:											
Salaries and expenses		415		414		559	9,019	8,450	559		569
Loans (authorization to expend from debt receipts)	55,023	696,621	171,570	931,703	25,670	810,703	206,000	22,000	345,000	170	649,703
Total, Rural Electrification Administration	55,023	697,036	171,570	932,117	25,670	811,262	215,019	30,450	345,559	170	650,272
FARMERS' HOME ADMINISTRATION											
Current authorizations:											
Loans (authorization to expend from debt receipts):											
Farm ownership, farm operating, and soil and water conservation	1,332	6,960		23,387		2,030	175,000	174,300	1,300		1,430
Farm housing			430,139	433,312	400,139	403,360			12,200	390,139	391,160
Salaries and expenses		1,345		1,437		1,677	29,089	27,300	1,676		1,790
Public enterprise funds:											
Disaster loans, etc., revolving fund	40,416	37,707	33,679	28,033	42,448	36,499			−1,783	44,447	38,282
Farm tenant-mortgage insurance fund (authorization to expend from debt receipts)	1,712	603	2,651	1,301	3,327	1,272	3,550	2,045	1,272	4,127	1,505
Total, Farmers' Home Administration	43,460	46,615	466,469	487,470	445,914	444,838	207,639	203,645	14,665	438,713	434,167
OFFICE OF THE GENERAL COUNSEL											
Current authorizations:											
Salaries and expenses		125		130		135	3,043	2,890	135		153
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		118		126		171	2,661	2,490	171		171
Intragovernmental funds:											
Working capital fund, Department of Agriculture	246	408	252	264	241	316			−32	249	348
Total, Office of the Secretary	246	526	252	390	241	487	2,661	2,490	139	249	519

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OFFICE OF INFORMATION											
Current authorizations:											
Salaries and expenses		$585		$350		$368	$1,367	$990	$360		$385
LIBRARY											
Current authorizations:											
Salaries and expenses		33		34		36	772	737	33		38
FOREST SERVICE											
Current authorizations:											
Forest protection and utilization						10,805	92,680	80,900	10,600		11,985
Forest roads and trails	$600	10,727	$337	8,270	$850	9,946	23,099	15,350	7,150		10,545
Forest roads and trails (contract authorization)	24,000	24,000									
Acquisition of lands for national forests:											
Cache National Forest			3	50		50	50	10	40		50
Superior National Forest	42	233	268	532	200	662	300	60	310		592
Special acts		19		15		15	10	2	8		15
Weeks Act		186		119		19			16		3
Cooperative range improvements	43	165	36	137		137	700	575	125		137
Assistance to States for tree planting						35			30		5
Salaries and expenses		7,942		7,606		106			80		26
State and private forestry cooperation		1,035		1,598		28			20		8
Permanent authorizations:											
Expenses, brush disposal (indefinite special account)	2,032	3,656	2,676	3,125	2,216	3,275	4,500	2,000	2,350	$1,756	3,425
Roads and trails for States, national forests fund (indefinite special account)	394	2,821	489	4,562		4,072	10,789	7,400	3,389		4,072
Miscellaneous permanent appropriations:											
Forest fire prevention (indefinite special account)	9	18	5	7		7	15	8	7		7
Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special account)							48	48			
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special account)		1					425	425			
Payments to school funds, Arizona and New Mexico, act of June 20, 1910 (receipt limitation) (indefinite)							129	129			
Payments to States and Territories from the national forests fund (indefinite special account)							26,969	26,969			
Development and improvement of ranger dwelling, Tonto National Forest (indefinite special account)	1	1									
Intragovernmental funds:											
Working capital fund, Forest Service			−446	1,422	197	1,463			−50	497	1,513
Advances and reimbursements		83		15							
Proposed for later transmission:											
Forest protection and utilization						400			400		
Total, Forest Service	27,121	50,887	3,368	27,458	3,463	31,020	159,714	133,876	24,475	2,253	32,383
Total, Department of Agriculture	231,935	2,047,000	1,328,350	3,070,480	2,845,937	4,509,078	4,106,602	3,591,379	1,389,957	2,230,789	3,556,494
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$253,625	$418,225	$330,021	$442,337	$316,942	$524,206				$303,344	[1] $445,627
Authorizations to expend from public debt receipts	−107,636	1,513,580	934,214	2,520,881	2,456,939	3,894,475				1,852,940	3,200,829
Contract authorizations	24,000	24,000					$4,108,902	$3,593,579	$1,219,557		
Revolving and management funds:											
Public enterprise funds	57,422	83,902	57,868	95,784	71,276	105,469				73,407	102,644
Intragovernmental funds	4,524	7,293	6,247	11,478	780	12,528				1,098	5,494
Proposed for later transmission:											
Appropriations						400	−2,300	−2,200	400		−100
Revolving and management funds: Public enterprise funds						−28,000			170,000		−198,000
Total, Department of Agriculture	231,935	2,047,000	1,328,350	3,070,480	2,845,937	4,509,078	4,106,602	3,591,379	1,389,957	2,230,789	3,556,494

[1] Excludes unobligated balance expiring in 1959 of $77,850 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$418,225	$442,337	$524,206
Authorizations to expend from debt receipts	1,513,580	2,520,881	3,894,475
Contract authorizations	24,000	----------	----------
Revolving and management funds	91,195	107,262	117,997
Proposed for later transmission:			
Appropriations	----------	----------	400
Revolving and management funds	----------	----------	−28,000
Total balances brought forward	2,047,000	3,070,480	4,509,078
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	4,072,872	3,811,770	3,422,948
Authorizations to expend from debt receipts	1,763,401	448,500	381,000
Reappropriations	50	44	----------
Total new obligational authority under current authorizations	5,836,323	4,260,314	3,803,948
Permanent authorizations:			
Appropriations	241,615	289,436	301,405
Authorizations to expend from debt receipts	7,625	10,230	3,550
Total permanent authorizations	249,240	299,666	304,955
Total new obligational authority enacted or recommended	6,085,563	4,559,980	4,108,902
Proposed for later transmission: Appropriations	----------	2,317,132	−2,300
Total new obligational authority	6,085,563	6,877,112	4,106,602
Other amounts available: Restored from certified claims account	813	----------	----------
Total budget authorizations available	8,133,376	9,947,592	8,615,680
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	5,005,998	5,294,902	3,593,579
Out of balances of prior obligational authority			1,219,557
Total expenditures from obligational authority enacted or recommended	5,005,998	5,294,902	4,813,136
From obligational authority proposed for later transmission:			
Out of new obligational authority	----------	[1] 31,600	−2,200
Out of balances of prior obligational authority	----------	----------	170,400
Total expenditures from obligational authority proposed for later transmission	----------	[1] 31,600	168,200
Total budget expenditures	5,005,998	5,326,502	4,981,336
Amounts no longer available:			
Unobligated balances expiring and lapsing	54,748	112,012	77,850
Adjustment of balances downward in expired accounts, net	2,150	----------	----------
Total amounts no longer available	56,898	112,012	77,850
Balances carried forward at close of year:			
Enacted or recommended in this document:			
Appropriations	442,337	524,206	445,627
Authorizations to expend from debt receipts	2,520,881	3,894,475	3,200,829
Revolving and management funds	107,262	117,997	108,138
Proposed for later transmission:			
Appropriations	----------	400	−100
Revolving and management funds	----------	−28,000	−198,000
Total balances carried forward at close of year	3,070,480	4,509,078	3,556,494
Obligations incurred, net	$4,934,400	$5,247,513	$4,643,900

[1] Most of the appropriations proposed for later transmission (shown above) are to reimburse the Commodity Credit Corporation for past expenditures and therefore have no effect on budget expenditures.

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AGRICULTURAL RESEARCH SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed $75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed [one] *two, of which one shall be* for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $10,000, except for five buildings to be constructed or improved at a cost not to exceed $20,000 each, and the cost of altering any one building during the fiscal year shall not exceed $3,750 or 4 per centum of the cost of the building, whichever is greater:

Research: For research and demonstrations on the production and utilization of agricultural products, and related research and services, including administration of payments to State agricultural experiment stations; [$57,794,890] *$60,744,890, including not to exceed $50,000 for the acquisition of land for soil and water conservation research facilities*: *Provided*, That the limitations contained herein shall not apply to [$1,955,000 for the construction, alteration, and repair of buildings, and acquisition of necessary land therefor by donation or exchange, or at a cost not to exceed $5,000 for each facility] *replacement of buildings needed to carry out the Act of April 24, 1948 (21 U. S. C. 113a)*;

Plant and animal disease and pest control: For operations and measures to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine and regulatory activities, as authorized by law; [$26,082,000] *$42,132,000*, of which $1,000,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases [under the joint resolution approved May 9, 1938 (7 U. S. C. 148–148e), and the Act of August 13, 1954 (7 U. S. C. 148),] to the extent necessary to meet emergency conditions[: *Provided*, That no part of this appropriation shall be used to pay the cost or value of trees, farm animals, farm crops, or other property injured or destroyed as a result of plant insect and disease control activities except potatoes and tomatoes as authorized under the Golden Nematode Act: *Provided further*, That, in the discretion of the Secretary, no part of this appropriation shall be expended for the control of sweetpotato weevil in any State until such State has provided cooperation necessary to accomplish this purpose, or for barberry eradication until a sum or sums at least equal to such expenditures shall have been made available by States, counties, or local authorities, or by individuals or organizations for the accomplishment of this purpose, or with respect to the golden nematode except as prescribed in section 4 of the Golden Nematode Act];

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat and meat-food products and the applicable provisions of the laws relating to process or renovated butter; [$16,826,000] *$17,326,000. (5 U. S. C. 511–512, 524, 541c–541e, 563–564, 565a, 576, 2131; 7 U. S. C. 135–135k, 145–164a, 166–167, 281–283, 361a–361i, 391, 394–396, 397, 401–404, 421–422a, 424–425, 427, 427i, 428a, 429–431, 433–434, 436–437, 851–855, 1292, 1651–1656; 15 U. S. C. 69e; 16 U. S. C. 581–581a, 581f, 590a–590b, 590f, 590k; 19 U. S. C. 1201, 1306; 20 U. S. C. 191–194; 21 U. S. C. 71–96, 101–105, 111–128, 130–131, 151–158, 346; 26 U. S. C. 2325, 2326c; 31 U. S. C. 725a; 45 U. S. C. 71–74; 46 U. S. C. 466a–466b; 48 U. S. C. 198, 1409m–1409o; 49 U. S. C. 177e, 181b; 46 Stat. 67; 71 Stat. 31–35; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, [a] **$104,702,890** Estimate 1959, **$120,202,890**

[a] Includes $4,000,000 appropriated in Supplemental Appropriation Act, 1958.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Research:			
(a) Farm research	$37,966,778	$41,867,290	$39,617,290
(b) Utilization research and development	11,745,675	12,915,800	18,215,800

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Direct obligations—Continued			
1. Research—Continued			
(c) Home economics research	$1,808,402	$1,987,800	$1,987,800
(d) Administration of payments to States and territorial research	782,165	924,000	924,000
Total, research	52,303,020	57,694,890	60,744,890
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control	18,086,374	18,616,100	18,985,900
(b) Animal disease and pest control	9,302,743	11,350,900	23,146,100
Total, plant and animal disease and pest control	27,389,117	29,967,000	42,132,000
3. Meat inspection	15,665,890	16,941,000	17,326,000
Total direct obligations	95,358,027	104,602,890	120,202,890
Obligations from amounts advanced by Commodity Credit Corporation:			
2. Plant and animal disease and pest control: (b) Animal disease and pest control: Brucellosis eradication	17,037,182	17,400,000	----------
Total obligations	112,395,209	122,002,890	120,202,890
Financing:			
Comparative transfers from (−) other accounts	−3,318,834	----------	----------
Unobligated balance brought forward	−6,527	----------	----------
Advances (repayable to Commodity Credit Corporation) for brucellosis eradication	−17,037,182	−17,400,000	----------
Unobligated balance no longer available	1,766,889	100,000	----------
New obligational authority	93,799,555	104,702,890	120,202,890
New obligational authority:			
Appropriation	$94,416,000	$104,702,890	$120,202,890
Transferred from "Diseases of animals and poultry" (71 Stat. 12)	371,000	----------	----------
Appropriation available in prior year	−987,445	----------	----------
Appropriation (adjusted)	93,799,555	104,702,890	120,202,890

The Agricultural Research Service conducts fundamental and applied research relating to the production and utilization of agricultural products, home economics research, and those control and regulatory programs which involve enforcement of plant and animal quarantines, meat inspection, the control of diseases and insect pests of animals and plants, and related work.

1. *Research—(a) Farm research.*—Improved breeding, feeding, and management practices are developed for farm livestock, poultry, and domestic fur animals. Practical methods are sought for control of diseases and parasites affecting them. Research on foot-and-mouth disease of livestock is conducted at Plum Island, N. Y

Investigations are conducted to improve varieties of food, feed, fiber, and other plants and to develop new crops; to improve crop-production practices, including methods to control plant diseases; to improve methods for control of harmful and utilization of beneficial insects affecting farm production; and to develop and test new chemical formulations for the control of crop pests.

Research is conducted to improve fertilizers, soil management, irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production. Farm economics research is conducted on profitable adjustments in farming by type and size of farm; on efficiency in use of labor, equipment, land, and water; and on related economic problems.

Continuous review of the research work is made in order to emphasize work which will meet the problems of agricultural surpluses. To find increased outlets for agricul-

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

tural products, research has been expanded on the breeding and development of long staple cotton for better quality fabrics, corn with waxy starch for glues and adhesives, corn with high amylose content for industrial use, milk with high solids and lowered fat content for changing dietary requirements, the meat-type hog to reduce fats in surplus, etc. More than $1 million of farm research funds are now used for the introduction and development of new crops. Most of the production research is now oriented to meet market demands. For example, it includes current research on the development of peaches with good shipping quality, vegetables suitable for freezing, cottons with greater strength, and beef that is tender with less back and belly fat. In addition to these adjustments, the proportion of the Department's research funds going into basic research has been steadily increased—from about 7% in 1947 to 18% today. This basic research undergirds the other research efforts.

The estimates for 1959 propose a decrease of $2,250,000 below the estimated obligations for 1958, of which $1,445,000 represents the nonrecurring portion of funds provided in 1958 for construction of 4 soils research laboratories. The remaining $805,000 is being made available for utilization research in 1959.

(*b*) *Utilization research and development.*—Chemical, physical, and biological studies are conducted to develop new and improved foods, feeds, drugs, fabrics, industrial chemicals, and other products from agricultural commodities, to improve commodity processing methods, and to increase the use of byproducts. Such research is aimed at increasing the total market demand for farm products, especially for their increased use for industrial purposes. The increase for 1959 is for expansion of utilization research on grains, cotton, oilseeds, fruits and vegetables, new crops, milk, hides and skins, and animal fats. The increase is partially offset by elimination of $105,000 for a nonrecurring item for constructing a small laboratory.

(*c*) *Home economics research.*—Studies are made of human nutrition, household economics, and clothing and housing.

(*d*) *Administration of payments to States, and Territorial research.*—Research under Federal grant funds at each State agricultural experiment station is coordinated with the research conducted by other States and by agencies of the Department. The Secretary's responsibilities for the proper administration of these funds are financed by a direct appropriation ($272,100 for 1958) and 3% of the grant funds. Agricultural experiment stations are operated in Alaska, Puerto Rico, and the Virgin Islands.

2. *Plant and animal disease and pest control*—(*a*) *Plant disease and pest control.*—Provision is made (1) through port-of-entry inspection to exclude from this country destructive insects, plant diseases and nematodes that cause great damage to agricultural crops in other parts of the world; (2) to cooperate with States in eradicating or preventing spread of crop pests that become established in this country; and (3) to assist States in suppressing incipient and emergency outbreaks of crop pests when and where they occur. The Federal Insecticide, Fungicide, and Rodenticide Act and related provisions of the Federal Food, Drug, and Cosmetic Act are administered. Increases are requested for 1959 for strengthening plant quarantine inspection service and regulatory work on pesticides. The volume of inspections, interceptions of unauthorized plant materials, export certificates issued, and other protective activities is indicated in the following table:

[In thousands]

	1955 actual	*1956 actual*	*1957 actual*
Inspections at ports of entry:			
Airplanes	89	97	111
Vessels	48	55	58
Interceptions of unauthorized plant material	216	245	291
Export certificates issued	35	45	49
Plant containers certified for export	12,688	23,460	25,411

(*b*) *Animal disease and pest control.*—Programs are devised to exclude communicable diseases of foreign origin from this country; to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics; to control and eradicate livestock diseases and to maintain, through a marketing agreement with manufacturers and handlers, adequate supplies of hog cholera virus and serum for protection of swine. Increases requested for 1959 provide for (1) maintaining the gains accomplished by the accelerated brucellosis program, for which authorization to transfer funds from Commodity Credit Corporation expires June 30, 1958, and (2) meeting the requirements of the screwworm eradication program in the Southeast.

The volume of inspections and other protective activities is indicated by selected examples in the following table:

[In thousands]

	1955 actual	*1956 actual*	*1957 actual*
Animal import-export inspection:			
All animals	427	314	346
Import animal byproducts:			
Wool, bone, glands, etc.—pounds	722,093	725,000	672,000
Hides and skins—pieces	56,942	68,553	54,425
Sheep inspected for scabies	5,587	8,730	11,944
Scabies-infected sheep found	34	43	57
Cattle inspected for scabies	1,146	1,763	2,090
Scabies-infected cattle found	10	7	5
Inspections and dippings for cattle fever ticks	1,625	1,752	1,932
Cattle tested for tuberculosis	9,211	9,220	8,976
Tuberculosis reactors found	11	14	14
Cattle tested for brucellosis:			
Blood tests	14,186	16,754	15,913
Ring tests	20,445	28,362	31,481
Brucellosis reactors found	365	367	280
Animals inspected at public stockyards	66,278	70,540	68,039
Diseased animals received or found	181	221	347
Supervision of production of veterinary biologics:			
Hog-cholera virus and anticholera serum—doses	54,727	50,441	46,164
Hog-cholera vaccine—do	26,451	32,325	34,563
Other vaccines—do	1,761,096	2,274,657	2,644,260
Total bacterins—do	85,145	87,373	91,223
Diagnostic agents—do	67,215	57,056	66,694
Other serums—do	14,309	13,363	9,281

3. *Meat inspection.*—Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a wholesome meat supply for human consumption, free from adulteration and truthfully labeled. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling and meats imported or exported are inspected. The increase requested for 1959 would provide inspectors needed for existing meat-packing plants and new plants in additional locations, and would make possible some reduction in excessively long and burdensome tours of duty of meat inspectors.

The volume of inspections and examinations is indicated by examples given in the following table:

	1955 actual	*1956 actual*	*1957 actual*
Number of establishments covered	1,120	1,184	1,244
Cities in which plants are located	435	471	502
Inspections of live animals	98,200,397	108,546,583	104,351,541
Post mortem inspections	98,194,761	108,539,755	104,345,064
Animals and carcasses condemned	287,224	303,793	300,163
Inspection of processed meat and meat-food products (million pounds)	16,374	18,207	17,804

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Object Classification

	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions	14,580	15,273	15,889
Full-time equivalent of all other positions	2,303	2,298	1,486
Average number of all employees	14,744	15,759	15,881
Number of employees at end of year	19,594	20,131	18,801
Fee-basis veterinarians at end of year included above	(3,516)	(3,500)	(1,400)
Average GS grade and salary	7.1 $5,267	7.3 $5,313	7.3 $5,345
Average salary of ungraded positions	$3,754	$3,763	$3,794
Personal service obligations:			
Permanent positions	$64,075,943	$69,943,006	$74,938,852
Positions other than permanent:			
Fee-basis veterinarians	7,362,795	7,400,000	3,031,000
All other	2,826,563	2,830,902	2,913,705
Other personal services	778,766	1,106,714	1,125,275
Total personal service obligations	75,044,067	81,280,622	82,008,832
Direct obligations:			
01 Personal services	64,361,067	70,510,022	82,008,832
02 Travel	2,749,545	2,851,500	3,464,000
03 Transportation of things	370,056	388,500	441,000
04 Communication services	686,808	738,700	930,500
05 Rents and utility services	720,420	893,700	961,800
06 Printing and reproduction	578,328	615,800	701,000
07 Other contractual services	6,719,130	6,783,000	7,730,700
Services performed by other agencies	3,998,530	3,871,500	4,000,400
08 Supplies and materials	7,833,074	6,726,686	7,561,078
09 Equipment	3,898,917	3,919,800	3,285,900
10 Lands and structures	553,152	1,828,000	241,000
11 Grants, subsidies, and contributions		4,201,300	4,772,600
13 Refunds, awards, and indemnities:			
Awards for employee suggestions	21,340	22,300	23,300
Anaplasmosis indemnities	6,297	3,000	3,000
Brucellosis indemnities	548,000	548,000	3,519,000
Scrapie indemnities	329,736	153,000	125,000
Tuberculosis indemnities	358,988	380,000	380,000
Federal tort claims	3,846		
15 Taxes and assessments	122,503	95,900	94,380
Subtotal	93,859,737	104,530,708	120,243,490
Deduct quarters and subsistence charges	90,917	90,600	90,600
Total direct obligations	93,768,820	104,440,108	120,152,890
Reimbursable obligations:			
01 Personal services	10,683,000	10,770,600	
02 Travel	572,000	581,600	
03 Transportation of things	38,000	42,600	
04 Communication services	284,000	288,000	
05 Rents and utility services	48,000	53,000	
06 Printing and reproduction	85,000	88,600	
07 Other contractual services	135,000	176,040	
Services performed by other agencies	55,000	61,200	
08 Supplies and materials	853,162	888,360	
09 Equipment	368,000	266,000	
11 Grants, subsidies, and contributions		191,700	
13 Refunds, awards, and indemnities: Brucellosis indemnities	3,874,720	3,952,000	
15 Taxes and assessments	41,300	40,300	
Total reimbursable obligations	17,037,182	17,400,000	
Total, Agricultural Research Service	110,806,002	121,840,108	120,152,890
ALLOCATION ACCOUNTS			
Total number of permanent positions	7	5	5
Average number of all employees	3	2	2
Number of employees at end of year	5	3	3
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$16,655	$9,600	$9,600
Positions other than permanent	631		
Other personal services	666	400	400
Total personal services	17,952	10,000	10,000
05 Rents and utility services	415		
07 Other contractual services	78,372	7,000	2,350
08 Supplies and materials	502		
10 Lands and structures	1,491,966	145,132	37,000
11 Grants, subsidies, and contributions		650	650
Total, allocation accounts	1,589,207	162,782	50,000
Total obligations	112,395,209	122,002,890	120,202,890
Obligations are distributed as follows:			
Agricultural Research Service	$110,806,002	$121,840,108	$120,152,890
General Services Administration	1,435,462		
Bureau of Public Roads, Department of Commerce	153,745	162,782	50,000

STATE EXPERIMENT STATIONS

Payments to States, Hawaii, Alaska, and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887 [(7 U. S. C. 362, 363, 365, 368, 377–379)], as amended by the Act approved August 11, 1955 ([69 Stat. 671] *7 U. S. C. 361a–361i*), including administration by the United States Department of Agriculture, $29,853,708; and payments authorized under section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U. S. C. 1623), $500,000; in all, $30,353,708.

Penalty mail: For penalty mail costs of agricultural experiment stations, under section 6 of the Hatch Act of 1887, as amended, $250,000. *(39 U. S. C. 321q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$30,603,708** Estimate 1959, **$30,603,708**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments to States, Hawaii, Alaska, and Puerto Rico:			
(a) Payments to agricultural experiment stations	$28,836,093	$29,681,708	$29,681,708
(b) Federal administration	551,451	672,000	672,000
2. Penalty mail	250,000	250,000	250,000
Total obligations	29,637,544	30,603,708	30,603,708
Financing:			
Unobligated balance no longer available	116,164		
New obligational authority	29,753,708	30,603,708	30,603,708
New obligational authority:			
Appropriation	$29,503,708	$30,603,708	$30,603,708
Transferred from "Cooperative extension work, payments and expenses," Extension Service (71 Stat. 176)	250,000		
Appropriation (adjusted)	29,753,708	30,603,708	30,603,708

Funds are allocated to agricultural experiment stations of the land-grant colleges in the States, Hawaii, Alaska, and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. The planned distribution of the grants for 1959, like in 1958, is:

Distributed according to statutory formula	$23,581,708
Regional research funds	5,600,000
Payments authorized for marketing projects	500,000
Total	29,681,708

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	72	80	80
Full-time equivalent of all other positions	1	3	3
Average number of all employees	62	80	80
Number of employees at end of year	75	80	80
Average GS grade and salary	7.1 $5,267	7.3 $5,313	7.3 $5,345
01 Personal services:			
Permanent positions	$411,674	$498,300	$498,300
Positions other than permanent	5,161	15,700	15,700
Other personal services		2,000	2,000
Total personal services	416,835	516,000	516,000
02 Travel	60,456	60,000	60,000
03 Transportation of things	153	200	200
04 Communication services	254,529	254,000	254,000
06 Printing and reproduction	4,634	1,000	1,000
07 Other contractual services	2,446	2,000	2,000
Services performed by other agencies	40,118	50,000	50,000
08 Supplies and materials	3,877	2,500	2,500
09 Equipment	18,124	4,000	4,000
11 Grants, subsidies, and contributions		32,000	32,000
Payments to States, Hawaii, Alaska and Puerto Rico	28,836,093	29,681,708	29,681,708
15 Taxes and assessments	279	300	300
Total obligations	29,637,544	30,603,708	30,603,708

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

Diseases of Animals and Poultry

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111–122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, but not to exceed $1,000,000 for eradication of vesicular exanthema of swine, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service". (*5 U. S. C. 541c–541e, 2131; 7 U. S. C. 428a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Eradication of vesicular exanthema of swine (advanced from Commodity Credit Corporation) (total obligations)	$1,355,739	$1,270,000	$1,000,000
Financing:			
Comparative transfers to other accounts	3,009,623		
Advances (repayable to Commodity Credit Corporation)	−1,350,000	−1,225,739	−1,000,000
Unobligated balance no longer available	163,638		
New obligational authority	3,179,000	44,261	
New obligational authority:			
Appropriation	$3,500,000		
Transferred to "Salaries and expenses," Agricultural Research Service (5 U. S. C. 572)	−371,000		
Appropriation (adjusted)	3,129,000		
Reappropriation	50,000	$44,261	

Eradication activities.—On August 1, 1952, an emergency was declared as the result of the spread of vesicular exanthema of swine. Chief means of spread of the disease is through feeding of uncooked garbage. Cooperative measures have been undertaken to eradicate the disease. To further eradication efforts, 47 States now have laws or regulations requiring the cooking of garbage fed to swine.

Funds for carrying out this eradication program have been transferred from other funds available to the Department. Corporate funds so used are subsequently repaid from specific appropriations for that purpose.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	179	151	111
Average number of all employees	165	148	108
Number of employees at end of year	173	150	107
Average GS grade and salary	7.1 $5,267	7.3 $5,313	7.3 $5,345
01 Personal services:			
Permanent positions	$714,441	$598,350	$440,750
Other personal services	2,835	5,150	5,150
Total personal services	717,276	603,500	445,900
02 Travel	169,262	160,000	100,000
03 Transportation of things	874	800	800
04 Communication services	6,273	6,000	5,000
05 Rents and utility services	1,242	1,000	1,000
06 Printing and reproduction	1,501	1,400	1,400
07 Other contractual services	23,076	22,000	20,000
Services performed by other agencies	317,061	321,657	311,100
08 Supplies and materials	59,291	62,143	33,500
09 Equipment	5,579	2,000	2,000
11 Grants, subsidies, and contributions		$39,000	$28,800
13 Refunds, awards, and indemnities:			
Vesicular exanthema indemnities	$52,499	50,000	50,000
15 Taxes and assessments	1,805	500	500
Total obligations	1,355,739	1,270,000	1,000,000

[Reimbursements to Commodity Credit Corporation for Advances for Animal Disease Eradication Activities]

[To reimburse the Commodity Credit Corporation for authorized transfers through June 30, 1956 (including interest through June 30, 1957), as follows: (1) $1,853,450 for sums transferred to the appropriation "Foot-and-mouth and other contagious diseases of animals and poultry", fiscal year 1956, for eradication activities, pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1956, and (2) $16,728,210 for sums transferred to the appropriation "Salaries and expenses, Agricultural Research Service", fiscal year 1956, for brucellosis eradication, pursuant to section 204 (e) of the Act of August 28, 1954, as amended (7 U. S. C. 397).] (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$18,581,660**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Repayment of advances from Commodity Credit Corporation:			
(*a*) For eradication of foot-and-mouth disease	$1,267,786		
(*b*) For vesicular exanthema eradication		$1,853,450	
(*c*) For brucellosis eradication	11,784,191	16,728,210	
Total obligations	13,051,977	18,581,660	
Financing:			
Unobligated balance no longer available	8,977		
Appropriation (new obligational authority)	13,060,954	18,581,660	

In 1958 this appropriation was made to repay advances from Commodity Credit Corporation for costs incurred in 1956 for (*a*) eradication of vesicular exanthema of swine, and (*b*) brucellosis eradication. No appropriation is requested in 1959 since a 1958 supplemental appropriation is anticipated for repayment of such costs incurred in 1957.

Object Classification

	1957 actual	1958 estimate	1959 estimate
14 Interest	$263,280	$564,225	
Undistributed: Repayment of advances from Commodity Credit Corporation	12,788,697	18,017,435	
Total obligations	13,051,977	18,581,660	

Animal Disease Laboratory Facilities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Facility for animal disease research and control (total obligations)	$706,517	$13,236,000	$1,250,000
Financing:			
Unobligated balance brought forward	−221,079	−15,764,562	−2,528,562
Unobligated balance carried forward	15,764,562	2,528,562	1,278,562
Appropriation (new obligational authority)	16,250,000		

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The Supplemental Appropriation Act, 1957, provided $16,250,000 for establishment of animal disease research and control laboratory facilities, in addition to $250,000 provided in the previous year for surveys, plans, and specifications. Plans and specifications are being prepared for construction of the facilities at Ames, Iowa. It is expected that a construction contract will be awarded late in fiscal year 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions		8	
Full-time equivalent of all other positions	1		
Average number of all employees	1	8	
Number of employees at end of year	0	8	
Average GS grade and salary	7.1 $5,267	7.3 $5,313	
01 Personal services:			
Permanent positions		$54,300	
Positions other than permanent	$2,262		
Other personal services		200	
Total personal services	2,262	54,500	
02 Travel	531	3,000	
06 Printing and reproduction	78		
07 Other contractual services	25		
Services performed by other agencies	1,928	175,000	
09 Equipment			$250,000
10 Lands and structures		13,000,000	1,000,000
11 Grants, subsidies, and contributions		3,500	
15 Taxes and assessments	43		
Total, Agricultural Research Service	4,867	13,236,000	1,250,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
07 Other contractual services	701,650		
Total obligations	706,517	13,236,000	1,250,000

Research Facilities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Facilities for research on foot-and-mouth and other diseases of animals (total obligations)	$508,527	$277,090	
Financing:			
Unobligated balance brought forward	−785,617	−277,090	
Unobligated balance carried forward	277,090		
Appropriation (new obligational authority)			

The research laboratory and related facilities for investigation of foot-and-mouth and other animal diseases, for which $10 million was appropriated in 1952, is now in use. Construction of a few remaining supporting facilities in 1958 will complete this installation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL RESEARCH SERVICE			
03 Transportation of things	$78		
08 Supplies and materials	22,909		
09 Equipment	3,835		
10 Lands and structures	431,303	$266,702	
Total, Agricultural Research Service	458,125	266,702	
ALLOCATION TO CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY			
Total number of permanent positions	7	1	
Average number of all employees	7	1	
Number of employees at end of year	2	0	
Average GS grade and salary	8.0 $5,742	7.9 $5,742	
01 Personal services:			
Permanent positions	$40,400	$6,376	
Other personal services	1,256	24	
Total personal services	41,656	6,400	
02 Travel	1,632	200	
04 Communication services	612	100	
07 Other contractual services	5,539	3,288	
08 Supplies and materials	105		
09 Equipment	700		
10 Lands and structures	158		
11 Grants, subsidies, and contributions		400	
Total, Corps of Engineers	50,402	10,388	
Total obligations	508,527	277,090	

Research on Strategic and Critical Agricultural Materials

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$309,211		
Unobligated balance no longer available	4,789		
Appropriation (new obligational authority)	314,000		

Allotments and Allocations Received From Other Accounts

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Watershed protection," Soil Conservation Service.
"Research and development," Department of the Army.
"Research and development," Department of the Air Force.
"Operating expenses," Atomic Energy Commission.
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Mutual security," funds appropriated to the President.
"Army industrial fund."
"Salaries and expenses, civil defense functions of Federal agencies," Federal Civil Defense Administration.

Intragovernmental funds:

Working Capital Fund, Agricultural Research Center

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Maintenance and operation of central facilities and services:			
Cost of materials sold or applied	$837,227	$819,144	$815,000
Other expense	1,924,571	2,057,000	2,034,000
Total operating costs	2,761,798	2,876,144	2,849,000
Depreciation included above (−)	−35,221	−35,000	−35,000
Other costs (−) or credits included above not requiring financing	1,409	−2,000	−2,000
Total operating costs, funded	2,727,986	2,839,144	2,812,000
Capital outlay: Purchase of equipment	32,168	25,000	25,000
Total program costs, funded	2,760,154	2,864,144	2,837,000
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−19,475	−10,339	
Total program (obligations)	2,740,679	2,853,805	2,837,000
Financing:			
Amounts becoming available: Revenue and receipts	2,859,751	2,812,562	2,847,000
Unobligated balance brought forward	264,218	383,290	342,047
Total amounts available	3,123,969	3,195,852	3,189,047
Unobligated balance carried forward	−383,290	−342,047	−352,047
Financing applied to program	2,740,679	2,853,805	2,837,000

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AGRICULTURAL RESEARCH SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER—Con.

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of $300,000 appropriated in 1951 and donated assets of $203,419 as of June 30, 1957.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances		$4,517	$4,500	$4,500
Materials and supplies	$80,871	73,805	67,610	67,610
Unpaid undelivered orders	71,053	54,127	50,000	50,000
Total selected resources at end of year	151,924	132,449	122,110	122,110
Selected resources at start of year (−)		−151,924	−132,449	−122,110
Costs financed from obligations of other years, net (−)		−19,475	−10,339	

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$32,168	$25,000	$25,000
Expense	2,720,920	2,832,949	2,812,000
Increase in selected working capital	142,486		10,000
Total gross expenditures	2,895,574	2,857,949	2,847,000
Receipts from operations (funds provided):			
Sales of goods and services	2,857,657	2,811,562	2,846,000
Proceeds from sale of equipment	2,094	1,000	1,000
Decrease in selected working capital		81,210	
Total receipts from operations	2,859,751	2,893,772	2,847,000
Budget expenditures	35,823	−35,823	

Revenue, Expense, and Retained Earnings

Revenue	$2,857,657	$2,811,562	$2,846,000
Expense	2,763,207	2,874,144	2,847,000
Net operating income or loss (−)	94,450	−62,582	−1,000
Nonoperating income or loss (−):			
Proceeds from sale of equipment	2,094	1,000	1,000
Net book value of assets sold	−685	−3,000	−3,000
Net nonoperating income or loss(−)	1,409	−2,000	−2,000
Net income for the year	95,859	−64,582	−3,000
Retained earnings, beginning of year	71,405	167,264	102,682
Retained earnings, end of year	167,264	102,682	99,682

Financial Condition

Assets:			
Cash with Treasury	$286,224	$322,047	$322,047
Accounts receivable	502,498	470,000	430,000
Advances	4,517	4,500	4,500
Materials and supplies	73,805	67,610	67,610
Equipment, net	154,944	141,944	128,944
Total assets	1,021,988	1,006,101	953,101
Liabilities:			
Current	351,305	400,000	350,000
Government investment:			
Noninterest bearing capital	503,419	503,419	503,419
Retained earnings	167,264	102,682	99,682
Total Government investment	670,683	606,101	603,101

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$322,047	$286,224	$322,047	$322,047

Status of Certain Fund Balances—Continued

	1956 actual	1957 actual	1958 estimate	1959 estimate
Obligated balance, net:				
Current liabilities	$406,558	$351,305	$400,000	$350,000
Unpaid undelivered orders	71,053	54,127	50,000	50,000
Accounts receivable (−)	−419,782	−502,498	−470,000	−430,000
Total obligated balance	57,829	−97,066	−20,000	−30,000
Unobligated balance	264,218	383,290	342,047	352,047

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	353	334	334
Full-time equivalent of all other positions	51	51	51
Average number of all employees	376	375	375
Number of employees at end of year	397	395	395
Average GS grade and salary	7.1 $5,267	7.3 $5,313	7.3 $5,345
Average salary of ungraded positions	$3,754	$3,763	$3,794
01 Personal services:			
Permanent positions	$1,385,944	$1,370,000	$1,374,000
Positions other than permanent	129,431	170,000	140,000
Other personal services	37,225	45,000	45,000
Excess of annual leave taken (−) over leave earned	−26,173		
Total personal services	1,526,427	1,585,000	1,559,000
02 Travel	144	350	350
03 Transportation of things	51,827	30,000	30,000
04 Communication services	110,887	112,000	112,000
05 Rents and utility services	151,687	155,000	155,000
06 Printing and reproduction	955	1,000	1,000
07 Other contractual services	44,985	45,650	45,650
08 Supplies and materials	817,752	808,805	815,000
09 Equipment	32,168	25,000	25,000
11 Grants, subsidies, and contributions		87,000	90,000
15 Taxes and assessments	3,847	4,000	4,000
Total obligations	2,740,679	2,853,805	2,837,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research	$813,105	$878,000	$646,000
2. Plant and animal disease and pest control	633,435	599,950	603,900
3. Meat inspection	6,463,103	6,472,000	6,472,000
4. Miscellaneous services to other accounts	154,927	151,812	142,200
Total obligations	8,064,570	8,101,762	7,864,100
Financing:			
Advances and reimbursements from—			
Other accounts	2,988,752	2,978,419	2,721,650
Non-Federal sources	5,075,818	5,123,343	5,142,450
Total financing	8,064,570	8,101,762	7,864,100

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U. S. C. 1387) and personal property (40 U. S. C. 481 (c)), from payments by non-Federal agencies for overtime work and travel performed at meat-packing establishments and veterinary biological establishments and for animal and plant quarantine inspection (5 U. S. C. 576; 7 U. S. C. 394, 396), from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U. S. C. 590a), and from refunds of terminal leave payments (5 U. S. C. 61 (b)).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	67	47	36
Full-time equivalent of all other positions	8	4	1
Average number of all employees	572	537	517
Number of employees at end of year	65	45	35
Average GS grade and salary	7.1 $5,267	7.3 $5,313	7.3 $5,345
01 Personal services:			
Permanent positions	$2,943,554	$2,779,406	$2,655,425
Positions other than permanent	16,763	16,712	4,700
Other personal services	4,496,339	4,472,936	4,470,000
Total personal services	7,456,656	7,269,054	7,130,125

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$61,950	$59,465	$35,800
03 Transportation of things	3,761	7,900	1,400
04 Communication services	11,564	11,200	9,900
05 Rents and utility services	15,998	20,500	20,300
06 Printing and reproduction	24,326	21,400	16,100
07 Other contractual services	118,472	96,115	43,613
Services performed by other agencies	151,983	143,919	135,910
08 Supplies and materials	114,171	198,377	190,853
09 Equipment	104,381	98,165	110,125
11 Grants subsidies, and contributions		174,567	169,174
15 Taxes and assessments	1,308	1,100	800
Total obligations	8,064,570	8,101,762	7,864,100

Proposed for later transmission:

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION FOR ADVANCES FOR ANIMAL DISEASE ERADICATION ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Repayment of advances from Commodity Credit Corporation:			
(a) For vesicular exanthema eradication		$1,393,490	
(b) For brucellosis eradication		17,548,923	
Total obligations		18,942,413	
Financing:			
Proposed supplemental appropriation		18,942,413	

Under existing legislation, 1958.—A supplemental appropriation of $18,942,413 is anticipated to repay the Commodity Credit Corporation for advances for eradication of brucellosis and vesicular exanthema of swine in 1957.

EXTENSION SERVICE

Current authorizations:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States, Hawaii, Alaska, and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U. S. C. 341–348), and the Act of August 11, 1955 [(69 Stat. 683–4)] *(7 U. S. C. 347a)*, $49,220,000; and payments and contracts for such work under section 204 (b)–205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623–1624), $1,495,000; in all, $50,715,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State, Hawaii, Alaska, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, [$5,260,000] *$5,479,375*.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, [$2,164,000] *$1,868,480*.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U. S. C. 341–348), and the Act of August 11, 1955 [(69 Stat. 683–4)] *(7 U. S. C. 347a)*, and extension aspects of the Agricultural Marketing Act of 1946 (7 U. S. C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, $2,096,540. *(39 U. S. C. 321i, 321n, 321p–q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$60,235,540** Estimate 1959, **$60,159,395**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments to States, Hawaii, Alaska, and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act	$47,048,430	$49,220,000	$49,220,000
(b) Payments and contracts under the Agricultural Marketing Act	1,455,489	1,495,000	1,495,000
2. Retirement costs for extension agents		5,208,855	5,479,375
3. Penalty mail	2,164,000	2,164,000	1,868,480
4. Federal Extension Service	1,949,007	2,096,540	2,096,540
Total obligations	52,616,926	60,184,395	60,159,395
Financing:			
Unobligated balance no longer available	648,074	51,145	
New obligational authority	53,265,000	60,235,540	60,159,395
New obligational authority:			
Appropriation	$53,515,000	$60,235,540	$60,159,395
Transferred to "State experiment stations," Agricultural Research Service (71 Stat. 176)	−250,000		
Appropriation (adjusted)	53,265,000	60,235,540	60,159,395

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture and home economics and related subjects. This educational activity takes research results, technological advancements, and situation and program facts of the Department of Agriculture, the State agricultural colleges, and experiment stations, and incorporates them into a national educational program. Its objective is to help people develop their abilities to attain greater efficiency in farming, marketing, and homemaking.

1. *Payments to States, Hawaii, Alaska, and Puerto Rico.*—Funds appropriated under the Smith-Lever Act for payment to States, Hawaii, Alaska, and Puerto Rico are distributed primarily on the basis of farm and rural population and to a limited degree on the basis of special problems and needs. Funds appropriated under the Agricultural Marketing Act for educational work in marketing are distributed on a matching basis under approved projects and on the basis of contracts. Funds are used primarily for the employment of county extension workers who work with rural families, marketing concerns, and others by providing counsel and assistance in the application of improved methods of production, marketing, and family living. They assist local leadership to determine extension programs of work. Work with youth is largely through 4–H clubs.

2. *Retirement costs for extension agents.*—The amount proposed is required to meet retirement costs of cooperative extension agents as authorized under Public Law 854, approved July 31, 1956.

3. *Penalty mail.*—Funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States are provided under this appropriation.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership to the States, Hawaii, Alaska, and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available

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EXTENSION SERVICE—Continued

Current authorizations—Continued

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES—Con.

resources, evaluation of programs, in-service training for extension personnel and providing administrative services.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	256	247	247
Full-time equivalent of all other positions	2	1	1
Average number of all employees	236	241	241
Number of employees at end of year	232	243	243
Average GS grade and salary	8.4 $6,398	8.6 $6,558	8.6 $6,614
01 Personal services:			
Permanent positions	$1,527,447	$1,570,799	$1,593,684
Positions other than permanent	10,733	2,695	2,587
Other personal services	8,107	14,006	14,100
Total personal services	1,546,287	1,587,500	1,610,371
02 Travel	210,881	212,500	210,000
03 Transportation of things	21,576	22,000	21,000
04 Communication services	28,896	25,000	25,000
Penalty mail for cooperative extension agents and State extension directors	2,164,000	2,164,000	1,868,480
05 Rents and utility services	618	700	700
06 Printing and reproduction	70,117	72,000	70,000
07 Other contractual services	372,635	152,500	149,629
Services performed by other agencies	28,061	33,000	30,000
08 Supplies and materials	16,721	17,000	13,000
09 Equipment	12,515	16,500	9,000
11 Grants, subsidies, and contributions		5,305,395	5,575,915
Payments to States, Hawaii, Alaska and Puerto Rico	48,120,879	50,575,000	50,575,000
13 Refunds, awards, and indemnities	22,500		
15 Taxes and assessments	1,240	1,300	1,300
Total obligations	52,616,926	60,184,395	60,159,395

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation "Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Cooperation with the Bureau of Indian Affairs on extension program with Indians	$29,323	$31,572	$31,572
2. Technical assistance to agricultural stabilization and conservation committees in Alaska	7,220	7,220	7,220
3. Technical assistance to Commodity Stabilization Service on the soil bank program	2,825		
4. Technical assistance to International Cooperation Administration on 4-H club work	3,231		
5. Technical assistance to the Office of Information on a publications use study	4,219	8,000	
6. Miscellaneous services to other accounts	2,477		
Total obligations	49,295	46,792	38,792
Financing:			
Advances and reimbursements from other accounts	49,295	46,792	38,792

Object Classification

Total number of permanent positions	5	5	3
Average number of all employees	3	4	3
Number of employees at end of year	5	3	3
Average GS grade and salary	9.6 $7,277	9.6 $7,277	10.7 $8,217

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$28,360	$30,539	$24,650
Other personal services		95	95
Total personal services	28,360	30,634	24,745
02 Travel	10,019	5,460	4,000
03 Transportation of things	751		
04 Communication services	215	220	200
06 Printing and reproduction	56	200	200
07 Other contractual services	98	288	249
Services performed by other agencies	1,608	500	400
08 Supplies and materials	68	100	70
09 Equipment	900	300	100
11 Grants, subsidies, and contributions	7,220	9,090	8,828
Total obligations	49,295	46,792	38,792

FARMER COOPERATIVE SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U. S. C. 451–457), $578,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$578,000** Estimate 1959, **$578,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Research and technical assistance for farmers' cooperatives (total obligations)	$510,052	$578,000	$578,000
Financing:			
Unobligated balance no longer available	9,948		
New obligational authority	520,000	578,000	578,000
New obligational authority:			
Appropriation	$550,000	$578,000	$578,000
Transferred to "Salaries and expenses," Forest Service (71 Stat. 180)	−30,000		
Appropriation (adjusted)	520,000	578,000	578,000

The Farmer Cooperative Service provides research, advisory, and educational assistance to farmers' marketing, purchasing, and service cooperatives. Problems of organization, financing, policies, management, merchandising, costs, efficiency, and membership are involved. Much of this work is carried on in cooperation with land-grant colleges, the Extension Service, and other Federal and State agencies.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	72	75	75
Average number of all employees	62	70	70
Number of employees at end of year	67	73	73
Average GS grade and salary	8.2 $6,030	8.5 $6,201	8.5 $6,287
01 Personal services:			
Permanent positions	$382,641	$433,327	$433,327
Other personal services	1,527	1,673	1,673
Total personal services	384,168	435,000	435,000
02 Travel	41,197	42,500	42,500
03 Transportation of things	810	1,000	1,000
04 Communication services	9,900	9,800	9,800
06 Printing and reproduction	50,804	42,500	42,500
07 Other contractual services	3,817	1,800	1,800
Services performed by other agencies	5,614	8,200	7,400
08 Supplies and materials	3,478	3,800	3,800
09 Equipment	10,025	5,600	5,600
11 Grants, subsidies, and contributions		27,500	28,300
13 Refunds, awards, and indemnities	108	200	200
15 Taxes and assessments	131	100	100
Total obligations	510,052	578,000	578,000

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ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation "Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research and technical assistance for farmers' cooperatives	$1,533		
2. Marketing research activities (Department of Agriculture, Agricultural Marketing Service)	329,293	$377,700	$376,500
Total obligations	330,826	377,700	376,500
Financing:			
Advances and reimbursements from other accounts	341,933	377,700	376,500
Unobligated balance no longer available	−11,107		
Total financing	330,826	377,700	376,500

Object Classification

Total number of permanent positions		52		50		50
Average number of all employees		43		46		46
Number of employees at end of year		45		50		50
Average GS grade and salary	8.3	$5,816	8.2	$5,781	8.2	$5,883
01 Personal services:						
Permanent positions		$261,948		$274,938		$273,743
Other personal services		367		1,062		1,057
Total personal services		262,315		276,000		274,800
02 Travel		25,903		26,000		26,000
03 Transportation of things		531		600		600
04 Communication services		6,753		6,000		6,000
06 Printing and reproduction		14,289		15,000		15,000
07 Other contractual services		18,096		34,000		33,400
08 Supplies and materials		2,666		2,400		2,400
09 Equipment		116		200		200
11 Grants, subsidies, and contributions				17,300		17,900
13 Refunds, awards, and indemnities		72		100		100
15 Taxes and assessments		85		100		100
Total obligations		330,826		377,700		376,500

SOIL CONSERVATION SERVICE

The Service is responsible for various soil and water conservation activities to aid farmers and ranchers in making physical adjustments in land use to conserve soil, water, and plant resources, establish a permanent and balanced agriculture, and reduce the hazards of floods and sedimentation. These activities are carried out in cooperation with Federal and State agencies and local organizations. The Service also has responsibility for administering the Great Plains conservation program and provides technical services in connection with the agricultural conservation program, the conservation reserve program, and for soil and water conservation loans made by the Farmers' Home Administration.

Current authorizations:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U. S. C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft; [$72,545,000] *$72,280,000*: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an amount not to exceed $500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U. S. C. 590a–590f), in demonstration projects: *Provided further*, That not to exceed $5,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. *(5 U. S. C. 133t, 511–512, 565a; 7 U. S. C. 1387, 1807, 1821; 16 U. S. C. 590q–1; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$72,545,000** Estimate 1959, **$72,280,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Assistance to soil conservation districts and other cooperators (total obligations)	$66,247,877	$72,361,000	$72,280,000
Financing:			
Unobligated balance no longer available	927,123	184,000	
New obligational authority	67,175,000	72,545,000	72,280,000
New obligational authority:			
Appropriation	$67,500,000	$72,545,000	$72,280,000
Transferred to "Salaries and expenses," Forest Service (71 Stat. 180)	−325,000		
Appropriation (adjusted)	67,175,000	72,545,000	72,280,000

Assistance furnished soil conservation districts and other cooperators consists primarily of: (*a*) surveys to provide physical land facts needed for farm and ranch conservation planning and by other Federal, State and local agencies, and the public;

MAIN WORKLOAD FACTORS

[In millions of acres]

Type of survey	*Total as of June 30, 1957*	*1957 actual*	*1958 estimate*	*1959 estimate*
Soil surveys	539.5	34.8	36.8	38.6
Range surveys	68.0	12.6	13.5	14.0

(*b*) technical assistance in developing and applying farm and ranch conservation plans to get the best possible use and treatment of the land consistent with the landowner's plans for his soil, labor, equipment and financial resources;

MAIN WORKLOAD FACTORS

	1957 actual	*1958 estimate*	*1959 estimate*
Number of soil conservation districts	2,770	2,830	2,860
Number of soil conservation district cooperators	1,727,682	1,806,000	1,879,500
Soil conservation district cooperators having farm and ranch conservation plans	1,161,745	1,222,000	1,283,000
Number of cooperators applying conservation practices	731,965	740,000	750,000

(*c*) technical assistance in planning and installing group enterprises for erosion control and water management; (*d*) snow surveys to make streamflow forecasts as a basis for efficient crop management and seasonal use of water in the Western States; (*e*) observational field testing of

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SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

CONSERVATION OPERATIONS—Continued

promising conservation plant materials; (*f*) technical assistance to agricultural conservation program participants in establishing specified conservation practices; and (*g*) technical assistance in installing the practices for which soil and water conservation loans are made by the Farmers' Home Administration.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	13,337	14,045	14,043
Full-time equivalent of all other positions	632	614	590
Average number of all employees	10,989	11,486	11,466
Number of employees at end of year	13,932	14,302	14,300
Average GS grade and salary	6.3 $4,805	6.3 $4,796	6.3 $4,791
01 Personal services:			
Permanent positions	$51,591,319	$53,976,334	$54,000,000
Positions other than permanent	1,977,567	1,976,498	1,900,000
Other personal services	251,621	452,668	450,000
Total personal services	53,820,507	56,405,500	56,350,000
02 Travel	2,292,026	2,325,000	2,325,000
03 Transportation of things	393,405	405,000	400,000
04 Communication services	819,449	802,000	800,000
05 Rents and utility services	1,468,418	1,580,000	1,500,000
06 Printing and reproduction	536,782	550,000	550,000
07 Other contractual services	929,223	990,000	997,000
Services performed by other agencies	45,631	50,000	50,000
08 Supplies and materials	3,052,096	3,108,000	3,100,000
09 Equipment	2,775,821	2,630,000	2,600,000
10 Lands and structures	18,350	16,000	----------
11 Grants, subsidies, and contributions	----------	3,390,000	3,500,000
13 Refunds, awards, and indemnities	7,647	----------	----------
Awards for employee suggestions	55,968	72,000	70,000
15 Taxes and assessments	37,791	43,000	44,000
Subtotal	66,253,114	72,366,500	72,286,000
Deduct quarters and subsistence charges	5,237	5,500	6,000
Total obligations	66,247,877	72,361,000	72,280,000

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, *as amended* (16 U. S. C. 1001–1007), and the provisions of the Act of April 27, 1935 (16 U. S. C. 590a–590f), to remain available until expended, **[**$25,500,000**]** *$14,000,000*, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided, That not to exceed $100,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a). (5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$25,500,000** Estimate 1959, **$14,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Investigations and planning	$3,903,666	$4,700,000	$3,900,000
2. Installation of works of improvement	8,312,984	14,610,782	18,439,000
3. Loans and related expense	----------	1,500,000	1,500,000
4. Surveys and investigations of water resources programs	737,732	1,000,000	1,000,000
Total obligations	12,954,382	21,810,782	24,839,000
Financing:			
Unobligated balance brought forward	−2,604,164	−7,149,782	−10,839,000
Unobligated balance carried forward	7,149,782	10,839,000	----------
Appropriation (new obligational authority)	17,500,000	25,500,000	14,000,000

The Department cooperates with the States and other agencies in planning and installing works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization and disposal of water. It provides loans to local organizations to help them finance their share of the cost of certain works of improvement. The Department also cooperates in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated inter-agency programs.

Although a decrease in appropriation is proposed, the level of program operations will be increased by $3,028,218 in 1959 because available prior year balances will provide sufficient funds to carry on planned operations.

1. *Investigations and planning.*—Surveys are made by the Department of proposed small watershed projects and work plans are prepared in cooperation with the local sponsors. These plans outline the proposed works of improvement and include the estimated costs, a cost-benefit analysis, cost-sharing and maintenance arrangements, a proposed schedule of operations, and other facts necessary to determine whether Federal participation in project development should be approved.

MAIN WORKLOAD FACTORS

[Cumulative]

Item	*1955 actual*	*1956 actual*	*1957 actual*	*1958 estimate*	*1959 estimate*
Applications for watershed projects:					
Received current year	353	194	165	150	150
Cumulative total	353	547	712	862	1,012
Watersheds approved for planning	68	172	268	358	438
Field work completed and plans under review before final approval	---	19	49	60	70
Watersheds approved for installation of works of improvement	---	13	42	102	162
Planning suspended	---	10	39	58	66
Planning in process	68	130	138	138	140
Balance:					
To be planned	---	175	164	204	264
Not now suitable for development of plans	---	200	280	300	310

2. *Installation of works of improvement.*—After approval of the projects, detailed construction plans and specifications for specific flood prevention or water management structures are prepared. The local sponsoring organizations contract for the construction work on other than Federal lands. Engineering supervision is provided for this construction work or advances of funds made to the local organizations to employ engineers to supervise it. Provision is also made for land treatment measures to prevent erosion and protect the structural works from flood and sediment damage.

It is estimated that installation of works of improvement will be completed in 2 watersheds and 100 projects will be in operation by the end of 1958. About 60 new projects are estimated to be approved for operation during 1959. The Federal Government's commitments for Public Law 566 projects are estimated as follows:

[Dollars in thousands]

	1957 actual		*1958 estimate*		*1959 estimate*	
Explanation	*Number*	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Projects continued from prior years and estimated cost of completion at beginning of year	13	$12,479	42	$17,589	100	$41,139
Projects initiated during the year and estimated cost of completion	29	8,570	60	30,300	60	30,300
Total approved projects and estimated cost of completion	42	21,049	102	47,889	160	71,439
Deduct: Amounts obligated during year for works of improvement on:						
(*a*) Projects initiated during the year	--	1,816	---	1,878	---	3,140
(*b*) Projects completed during the year	--	-------	2	50	1	10
(*c*) Other projects	--	1,644	---	4,822	---	11,600
Total	--	3,460	2	6,750	1	14,750
Total projects in progress at end of year and estimated cost of completion	42	17,589	100	41,139	159	56,689

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It is planned to complete installation of improvement measures in 35 of the 54 currently active "pilot" demonstration watersheds by the end of 1959. The Federal Government's commitments for these projects are estimated as follows:

[Dollars in thousands]

Explanation	1957 actual Number	1957 actual Amount	1958 estimate Number	1958 estimate Amount	1959 estimate Number	1959 estimate Amount
Approved active projects and estimated cost of completion at beginning of year	57	$18,511	54	$13,301	22	$5,440
Discontinued projects and estimated cost of completion	3	417	---	-------	---	-------
Deduct amounts obligated during the year for -						
(a) Projects completed during the year	--	29	32	2,355	3	210
(b) Other projects	--	4,764	---	5,506	---	3,479
Total	--	4,793	32	7,861	3	3,689
Total projects in progress at end of year and estimated cost of completion	54	13,301	22	5,440	19	1,751

3. *Loans and related expenses.*—Loans are made to local organizations to finance the local share of the cost of works of improvement installed in the small watersheds. Repayment with interest is required within 50 years after the principal benefits of improvements first become available.

4. *Surveys and investigations of water resources programs.*—Current work includes participation with the Corps of Engineers in the Lower Mississippi River and tributaries project, the Upper Mississippi River area, the Delaware River area, and the Cape Fear watershed in North Carolina, and the Department of the Interior, in reappraising agricultural benefits anticipated from the Upper Colorado River storage project. A survey is also being made of part of the Kansas River watershed in cooperation with the Kansas State Water Board.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	1,031	1,239	1,237
Full-time equivalent of all other positions	109	181	199
Average number of all employees	1,015	1,273	1,310
Number of employees at end of year	1,172	1,345	1,347
Average GS grade and salary	6.3 $4,805	6.3 $4,796	6.3 $4,791
01 Personal services:			
Permanent positions	$4,757,404	$5,763,362	$5,850,000
Positions other than permanent	335,649	559,950	616,000
Other personal services	52,789	98,629	99,000
Total personal services	5,145,842	6,421,941	6,565,000
02 Travel	523,944	668,000	675,000
03 Transportation of things	36,628	64,000	65,000
04 Communication services	58,781	78,000	80,000
05 Rents and utility services	52,495	74,000	70,000
06 Printing and reproduction	66,141	110,000	110,000
07 Other contractual services	2,841,403	5,100,000	2,369,000
Services performed by other agencies	93,687	93,000	94,000
08 Supplies and materials	278,189	344,000	348,000
09 Equipment	328,144	200,000	190,000
11 Grants, subsidies, and contributions	----------	360,000	380,000
Grants-in-aid	2,523,917	5,562,260	11,437,000
13 Refunds, awards, and indemnities	2,580	----------	----------
Awards for employee suggestions	1,004	19,500	22,000
15 Taxes and assessments	7,312	12,500	14,262
Subtotal	11,960,067	19,107,201	22,419,262
Deduct quarters and subsistence charges	54	----------	----------
Total, Soil Conservation Service	11,960,013	19,107,201	22,419,262
ALLOTMENT AND ALLOCATION ACCOUNTS			
Total number of permanent positions	87	90	91
Full-time equivalent of all other positions	23	34	13
Average number of all employees	112	129	106
Number of employees at end of year	136	143	134
Average GS grade and salary	6.7 $5,089	6.9 $5,176	7.0 $5,219
Average salary of ungraded positions	$4,329	$4,405	$4,405

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOTMENT AND ALLOCATION ACCOUNTS—continued			
01 Personal services:			
Permanent positions	$505,597	$546,351	$537,746
Positions other than permanent	80,190	132,347	49,167
Other personal services	1,720	4,613	4,573
Total personal services	587,507	683,311	591,486
02 Travel	88,635	77,988	74,733
03 Transportation of things	4,844	4,671	4,671
04 Communication services	5,457	6,012	5,052
05 Rents and utility services	5,495	3,002	3,002
06 Printing and reproduction	1,071	700	700
07 Other contractual service	130,306	153,585	118,431
Services performed by other agencies	79,791	74,292	50,892
08 Supplies and materials	27,664	58,785	22,980
09 Equipment	13,531	10,248	7,248
11 Grants, subsidies, and contributions	49,494	147,453	69,883
13 Refunds, awards, and indemnities	150	----------	----------
15 Taxes and assessments	2,056	2,015	775
16 Investments and loans	----------	1,483,135	1,471,500
Subtotal	996,001	2,705,197	2,421,353
Deduct quarters and subsistence charges	1,632	1,616	1,615
Total allotment accounts	994,369	2,703,581	2,419,738
Total obligations	12,954,382	21,810,782	24,839,000
Obligations are distributed as follows:			
Soil Conservation Service	$11,960,013	$19,107,201	$22,419,262
Forest Service	665,613	815,494	605,225
Agricultural Research Service	236,951	252,200	215,400
Farmers' Home Administration	----------	1,500,000	1,500,000
Office of the Secretary	3	----------	----------
Department of the Interior	91,802	135,887	99,113

Flood Prevention

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U. S. C. 701–709), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed $100,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), to remain available until expended, $13,220,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated. (*5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$13,220,000** Estimate 1959, **$13,220,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Works of improvement (total obligations)	$12,157,844	$14,802,697	$13,220,000
Financing:			
Unobligated balance brought forward	-1,740,205	-1,582,697	----------
Recovery of prior year obligations	-336	----------	----------
Unobligated balance carried forward	1,582,697	----------	----------
Appropriation (new obligational authority)	12,000,000	13,220,000	13,220,000

The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement in the various subwatersheds of the 11 watersheds authorized by the Flood Control Act of 1944. Measures primarily for flood prevention such as floodwater retarding and sediment control structures, debris barriers and basins, deflectors, diversion ditches and dikes, stream bank protection and other improvements are being installed on a cost-sharing basis. Work is generally done by local contractors. Land-treatment

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SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

FLOOD PREVENTION—Continued

measures which contribute to flood prevention are installed by landowners with technical and other assistance furnished by the Department.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	700	782	768
Full-time equivalent of all other positions	169	190	167
Average number of all employees	778	891	859
Number of employees at end of year	932	1,029	998
Average GS grade and salary	6.3 $4,805	6.3 $4,796	6.3 $4,791
01 Personal services:			
Permanent positions	$2,846,489	$3,250,150	$3,194,000
Positions other than permanent	462,923	532,500	487,000
Other personal services	46,219	67,815	64,600
Total personal services	3,355,631	3,850,465	3,745,600
02 Travel	140,513	175,000	174,000
03 Transportation of things	15,991	18,000	15,000
04 Communication services	42,745	45,000	42,000
05 Rents and utility services	57,779	61,000	61,000
06 Printing and reproduction	25,627	30,500	24,000
07 Other contractual services	6,094,639	7,676,000	6,495,700
Services performed by other agencies	85,961	103,000	97,000
08 Supplies and materials	576,546	588,700	517,000
09 Equipment	234,227	260,000	250,000
11 Grants, subsidies, and contributions		204,000	205,000
13 Refunds, awards, and indemnities	738	1,300	1,200
Awards for employee suggestions	1,806	7,000	6,500
15 Taxes and assessments	8,930	11,000	10,000
Total, Soil Conservation Service	10,641,133	13,030,965	11,644,000
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions	106	130	130
Full-time equivalent of all other positions	179	219	155
Average number of all employees	268	317	253
Number of employees at end of year	219	221	200
Average GS grade and salary	6.6 $5,025	6.7 $5,085	6.7 $5,086
Average salary of ungraded positions	$4,329	$4,405	$4,405
01 Personal services:			
Permanent positions	$395,260	$444,364	$444,364
Positions other than permanent	409,089	534,530	380,100
Other personal services	14,779	48,006	38,006
Total personal services	819,128	1,026,900	862,470
02 Travel	16,024	19,589	19,589
03 Transportation of things	2,755	4,575	4,575
04 Communication services	11,375	12,065	12,065
05 Rents and utility services	13,178	14,250	14,250
06 Printing and reproduction	503	875	875
07 Other contractual services	176,397	218,405	207,307
Services performed by other agencies	212,269	178,940	168,940
08 Supplies and materials	218,420	200,466	190,989
09 Equipment	28,248	35,408	35,408
10 Lands and structures	12,583	15,374	15,374
11 Grants, subsidies, and contributions	25,330	66,360	67,458
13 Refunds, awards, and indemnities	122	5	
15 Taxes and assessments	9,165	8,020	5,700
Subtotal	1,545,497	1,801,232	1,605,000
Deduct quarters and subsistence charges	28,786	29,500	29,000
Total, Forest Service	1,516,711	1,771,732	1,576,000
Total obligations	12,157,844	14,802,697	13,220,000

WATER CONSERVATION AND UTILIZATION PROJECTS

For expenses necessary to carry out the functions of the Department under the Acts of [May 10, 1939 (53 Stat. 685, 719),] *August 11, 1939, and* October 14, 1940 (16 U. S. C. 590y–z–10), as amended and supplemented, June 28, 1949 (63 Stat. 277), and September 6, 1950 (7 U. S. C. 1033–39), relating to water conservation and utilization projects, to remain available until expended, [$350,000] *$335,000*, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purpose of said Acts. *(5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$350,000** Estimate 1959, **$335,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Development of land for irrigation (total obligations)	$341,952	$365,805	$335,000
Financing:			
Unobligated balance brought forward	−125,757	−15,805	
Unobligated balance carried forward	15,805		
Appropriation (new obligational authority)	232,000	350,000	335,000

The Service is developing efficient irrigation farming units for sale on the Eden Valley project in Wyoming where the Bureau of Reclamation has constructed the water storage facility and is constructing principal canals. Land classification and topographic surveys are made, and project lands are subdivided into farm units of economic size. The land is cleared and leveled, and farm ditches, drains, and other water-control structures are built. Pending sale to qualified farm families, the developed farm units are planted to cover crops to prevent wind erosion. Technical guidance on irrigation and conservation is being furnished to farm operators.

The Eden Valley project is the only remaining active project. The first sale of farms on this project was made in December 1956. It is expected that work on this project will be completed and the farms sold by 1962.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	25	25	25
Full-time equivalent of all other positions	24	26	26
Average number of all employees	48	53	51
Number of employees at end of year	71	75	72
Average GS grade and salary	6.3 $4,805	6.3 $4,796	6.3 $4,791
01 Personal services:			
Permanent positions	$113,444	$122,967	$113,815
Positions other than permanent	98,279	104,904	104,130
Other personal services	27,518	27,629	26,055
Total personal services	239,241	255,500	244,000
02 Travel	1,476	2,200	2,100
03 Transportation of things	1,586	1,500	1,500
04 Communication services	1,652	2,125	2,100
05 Rents and utility services	3,884	3,800	3,800
06 Printing and reproduction	343	700	700
07 Other contractual services	3,998	2,600	2,600
08 Supplies and materials	77,945	84,000	67,000
09 Equipment	11,996	2,000	3,000
10 Lands and structures	1,950	5,400	3,000
11 Grants, subsidies, and contributions		7,900	7,300
13 Refunds, awards, and indemnities	180	380	300
15 Taxes and assessments	2,575	2,700	2,600
Subtotal	346,826	370,805	340,000
Deduct quarters and subsistence charges	4,874	5,000	5,000
Total obligations	341,952	365,805	335,000

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16 (b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 [(70 Stat. 1115–1117),] *(16 U. S. C. 590p)*, $10,000,000, to remain available until expended. *(5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958).*

Appropriated 1958, **$10,000,000** Estimate 1959, **$10,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Great Plains conservation program (total obligations)		$10,000,000	$10,000,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Appropriation (new obligational authority)		$10,000,000	$10,000,000

Cost-sharing contracts and technical assistance are offered by the Department under authority of Public Law 1021, approved August 7, 1956, to aid farmers and ranchers to develop and carry out long-range conservation plans designed to minimize climatic hazards and protect their lands from erosion and deterioration by natural causes. This is a voluntary program which supplements other conservation programs and activities in designated wind erosion counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operations for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The maximum cost-share rate offered in any contract does not exceed 80% of the average cost of installing each eligible practice. A limitation of $2,500 for cost shares for improving dams or ponds for irrigation is the only limitation on the cost-share amount an individual may earn. The law provides that total cost shares paid shall not exceed $25 million for any one program year or $150 million in total.

The producer who signs a Great Plains program contract is responsible for accomplishing his plan of operations as scheduled, and is encouraged to use all available sources of assistance under other local, State or Federal programs that contribute to achieving conservation land treatment and economic stability of the farm or ranch unit.

The 1959 estimate includes $8,240,000 for cost-sharing assistance to producers and $1,760,000 for technical assistance and administrative costs of the program.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions		208	208
Full-time equivalent of all other positions		44	44
Average number of all employees		249	248
Number of employees at end of year		204	204
Average GS grade and salary		6.3 $4,796	6.3 $4,791
01 Personal services:			
Permanent positions		$964,424	$960,000
Positions other than permanent		146,536	145,000
Other personal services		3,440	3,000
Total personal services		1,114,400	1,108,000
02 Travel		59,500	58,000
03 Transportation of things		10,400	10,000
04 Communication services		9,500	9,000
05 Rents and utility services		3,000	3,000
06 Printing and reproduction		9,000	9,000
07 Other contractual services		55,000	55,000
Services performed by other agencies		15,900	16,000
08 Supplies and materials		30,700	31,000
09 Equipment		178,000	180,000
11 Grants, subsidies, and contributions		60,000	61,000
Cost-sharing assistance		8,237,000	8,240,000
15 Taxes and assessments		3,200	3,000
Total, Soil Conservation Service		9,785,600	9,783,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions		8	8
Full-time equivalent of all other positions		1	
Average number of all employees		9	8
Number of employees at end of year		10	10
Average GS grade and salary		7.5 $5,697	7.5 $5,726
Average salary of ungraded positions		$4,405	$4,405
01 Personal services:			
Permanent positions		$40,661	$42,823
Positions other than permanent		4,476	1,835
Other personal services		167	169
Total personal services		45,304	44,827

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOTMENT ACCOUNTS—continued			
02 Travel		$6,400	$7,200
03 Transportation of things		1,500	1,500
04 Communication services		600	600
05 Rents and utility services		200	200
06 Printing and reproduction		3,600	4,170
07 Other contractual services		143,100	143,100
Services performed by other agencies		400	800
08 Supplies and materials		3,531	6,363
09 Equipment		7,200	5,400
11 Grants, subsidies, and contributions		2,500	2,810
15 Taxes and assessments		65	30
Total, allotment accounts		214,400	217,000
Total obligations		10,000,000	10,000,000
Obligations are distributed as follows:			
Soil Conservation Service		$9,785,600	$9,783,000
Forest Service		30,000	30,000
Office of Information		16,400	19,000
Agricultural Conservation Program Service		25,000	25,000
Commodity Stabilization Service		143,000	143,000

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriation, as follows:
"Conservation reserve program," soil bank programs.
"Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Charges for leave and mileage costs	$1,013,259	$1,150,000	$1,158,000
2. Sale of maps and mosaics	372,539	475,000	475,000
3. Sale of personal property	400,262	420,000	420,000
4. Miscellaneous services to other accounts	451,538	497,000	497,000
Total obligations	2,237,598	2,542,000	2,550,000
Financing:			
Advances and reimbursements from—			
Other accounts	1,683,011	1,945,000	1,953,000
Non-Federal sources	554,587	597,000	597,000
Total financing	2,237,598	2,542,000	2,550,000

NOTE.—Reimbursements from non-Federal sources above are from State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (5 U. S. C. 118e; 16 U. S. C. 590a–590f); from Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soil, land-use, and other maps (7 U. S. C. 1387); and from proceeds of sale of personal property (40 U. S. C. 481 (c)).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	13	13	13
Full-time equivalent of all other positions	5	12	12
Average number of all employees	125	165	165
Number of employees at end of year	13	13	13
Average GS grade and salary	6.3 $4,805	6.3 $4,796	6.3 $4,791
01 Personal services:			
Permanent positions	$620,644	$749,165	$750,435
Positions other than permanent	16,287	36,463	36,842
Other personal services	23,942	27,012	27,263
Total personal services	660,873	812,640	814,540
02 Travel	28,841	44,000	44,000
03 Transportation of things	3,453	6,500	6,500
04 Communication services	3,262	3,500	3,500
05 Rents and utility services	65,628	72,700	72,700
06 Printing and reproduction	624	2,200	2,200
07 Other contractual services	608,544	613,000	617,000
Services performed by other agencies	84,211	152,900	153,000
08 Supplies and materials	343,854	349,000	349,000
09 Equipment	438,293	439,000	439,000
11 Grants, subsidies, and contributions		46,500	48,500
15 Taxes and assessments	15	60	60
Total obligations	2,237,598	2,542,000	2,550,000

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AGRICULTURAL CONSERVATION PROGRAM SERVICE

Current authorizations:

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16 (a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590 (o), 590p [(a)–](a), *and* 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; [$212,000,000] *$235,000,000,* to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, [1957] *1958,* carried out during the period July 1, [1956] *1957,* to December 31, [1957] *1958,* inclusive: *Provided,* That not to exceed $24,698,000 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $5,025,800 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further,* That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further,* That such amounts shall be available for administrative expenses in connection with the formulation and administration of the [1958] *1959* program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to [$250,000,000] *$125,000,000,* including administration, and no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further,* That not to exceed 5 per centum of the allocation for the [1958] *1959* agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further,* That for the [1958] *1959* program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and $1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further,* That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further,* That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$212,000,000** Estimate 1959, **$235,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Cost-sharing assistance to farmers	$213,628,118	$211,000,000	$210,200,000
2. Repayment of loans from Commodity Credit Corporation	13,950,000	1,015,939	24,800,000
Total direct obligations	227,578,118	212,015,939	235,000,000
Obligations from amounts advanced by Commodity Credit Corporation:			
Cost-sharing assistance to farmers	36,500,000	39,000,000	20,000,000
Reimbursable obligations: Cost-sharing assistance to farmers	457,000	444,000	444,000
Total obligations	264,535,118	251,459,939	255,444,000
Financing:			
Unobligated balance brought forward	−16,593	−15,939	
Advances and reimbursements from—			
Commodity Credit Corporation (loan)	−36,500,000	−39,000,000	−20,000,000
Other accounts	−144,869	−115,000	−115,000
Non-Federal sources (7 U. S. C. 1387)	−312,131	−329,000	−329,000
Recovery of prior year obligations	−77,464		
Unobligated balance carried forward	15,939		
Appropriation (new obligational authority)	227,500,000	212,000,000	235,000,000

The program is designed to encourage conservation by sharing with farmers and ranchers the cost of carrying out approved soil-building and soil- and water-conserving practices which farmers generally would not perform to the needed extent with their own resources. The rate of cost-sharing, which may be given in the form of conservation materials and services or a payment after completion of the practice, averages approximately 50% of the cost.

Conservation measures for which cost-sharing is offered include those which are primarily for (1) establishment of permanent protective cover, (2) improvement and protection of established vegetative cover, (3) conservation and disposal of water, (4) establishment of temporary vegetative cover, and (5) temporary protection of soil from wind and water erosion.

It is estimated that under the 1956 program, new or additional practices will be established on 1,210,000 farms and ranches, consisting of 39% of the cropland and 36% of all farm land in the United States. The following practices were installed under the 1956 program:

Dams and reservoirs	number	76,925
Drainage	acre	1,335,855
Leveling land to conserve irrigation water and prevent erosion	acre	403,757
Standard terraces	acre	926,050
Diversion and spreader terraces	mile	5,107
Contour stripcropping	acre	270,570
Stripcropping not on contour	acre	940,204
Control of undesirable shrubs on range or pasture	acre	1,552,255
Tree planting	acre	195,348
Liming materials applied	ton	16,522,673
Permanent sod waterways	acre	45,170
All vegetative cover	acre	14,636,227

Funds are distributed among the States on the basis of conservation needs. They are, in turn, distributed by the agricultural stabilization and conservation State committees to counties, and the agricultural stabilization and conservation county committees make commitments of conservation practice cost-sharing to eligible farmers and ranchers.

Loans from Commodity Credit Corporation are used to make advance payments to vendors for conservation materials and services furnished to farmers and ranchers prior to the time funds are appropriated each year.

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Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is:

SCHEDULE OF LOANS AND REPAYMENTS

	1956	*1957*	*1958*	*Total*
Received by loan from Commodity Credit Corporation	$43,450,000	$36,500,000	$39,000,000	$118,950,000
Interest	12,029	143,778	15,939	171,746
Total loans	43,462,029	36,643,778	39,015,939	119,121,746
Repaid or to be repaid from appropriations for fiscal years:				
1953	104,316	----------	----------	104,316
1954	1,400,000	451,796	----------	1,851,796
1955	28,007,713	1,572,597	----------	29,580,310
1956	----------	33,619,385	700,000	34,319,385
1957	13,950,000	----------	13,515,939	27,465,939
1958	----------	1,000,000	----------	1,000,000
1959	----------	----------	24,800,000	24,800,000
Total repayments	43,462,029	36,643,778	39,015,939	119,121,746

A program level of $125 million for the 1959 crop year is proposed, a reduction of $125 million below the 1958 program. Emphasis under such a reduced program would be on conservation practices with enduring benefits. Payments for the 1959 program will be made from 1960 appropriations.

Object Classification

	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE			
Total number of permanent positions	59	68	68
Average number of all employees	53	65	65
Number of employees at end of year	59	68	68
Average GS grade and salary	8.2 $6,364	8.5 $6,528	8.5 $6,606
Direct obligations:			
01 Personal services:			
Permanent positions	$341,294	$425,570	$427,765
Other personal services	----------	1,630	1,645
Total personal services	341,294	427,200	429,410
02 Travel	27,246	46,900	43,510
03 Transportation of things	2,421	1,200	1,200
04 Communication services	6,693	6,900	6,900
06 Printing and reproduction	13,730	8,000	8,000
07 Other contractual services:			
Advances to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	20,559	21,520	21,520
Services performed by other agencies	5,130	4,100	4,100
08 Supplies and materials	3,445	3,000	3,000
09 Equipment	5,788	2,000	2,000
11 Grants, subsidies, and contributions	----------	26,730	27,910
Cost-sharing assistance	202,268,570	186,281,439	209,265,500
15 Taxes and assessments	141	200	200
Total direct obligations	202,695,017	186,829,189	209,813,250
Reimbursable obligations:			
11 Grants, subsidies, and contributions	36,957,000	39,444,000	20,444,000
Total, Agricultural Conservation Program Service	239,652,017	226,273,189	230,257,250
ALLOTMENT ACCOUNTS			
Total number of permanent positions	144	118	118
Full-time equivalent of all other positions	3	5	5
Average number of all employees	134	119	119
Number of employees at end of year	157	140	140
Average GS grade and salary	5.7 $4,605	5.9 $4,692	5.9 $4,703
01 Personal services:			
Permanent positions	$554,395	$492,262	$496,617
Positions other than permanent	10,282	15,945	14,050
Other personal services	5,047	7,475	7,442
Total personal services	569,724	515,682	518,109
02 Travel	13,288	15,000	15,000
03 Transportation of things	19,031	15,425	15,350
04 Communication services	5,019	3,800	3,800
05 Rents and utility services	16,953	16,075	16,050
06 Printing and reproduction	2,290	1,800	1,800
07 Other contractual services	262,921	377,737	377,570
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	4,070,656	4,462,075	4,462,075
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	19,716,385	19,564,385	19,564,385
Services performed by other agencies	10,310	7,154	7,154

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOTMENT ACCOUNTS—Continued			
08 Supplies and materials	$139,111	$153,322	$151,027
09 Equipment	55,766	19,190	19,000
11 Grants, subsidies, and contributions	----------	33,780	34,105
13 Refunds, awards, and indemnities	1,181	950	950
15 Taxes and assessments	466	375	375
Total, allotment accounts	24,883,101	25,186,750	25,186,750
Total obligations	264,535,118	251,459,939	255,444,000
Obligations are distributed as follows:			
Agricultural Conservation Program Service	$239,652,017	$226,273,189	$230,257,250
Commodity Stabilization Service	24,771,880	25,062,960	25,062,960
Forest Service	111,221	123,790	123,790

[Emergency Conservation Measures]

[For an additional amount for "Emergency Conservation Measures", to be used for the same purposes and subject to the same conditions as the funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, $20,000,000.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$20,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Emergency cost-sharing assistance to farmers (total obligations)	$930,800	$7,000,000	----------
Financing:			
Unobligated balance brought forward	----------	−3,069,200	----------
Unobligated balance carried forward	3,069,200	----------	----------
Unobligated balance no longer available	----------	16,069,200	----------
Appropriation (new obligational authority)	4,000,000	20,000,000	----------

Cost-sharing assistance (up to 80% of the cost of carrying out approved practices) is offered to assist and encourage farmers to rehabilitate farm lands damaged by natural disasters. Assistance is available only, when as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems have been created which, (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is required to return the land to productive agricultural use.

Funds for emergency cost-sharing assistance are distributed among States on the basis of needs for restoration of damaged lands.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$930,800	$7,000,000	----------

Allotments Received From Other Accounts

NOTE.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Conservation reserve program," soil bank programs.
"Great Plains conservation program."

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AGRICULTURAL MARKETING SERVICE

Current authorizations:

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U. S. C. 1621–1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed $10,000, except for two buildings to be constructed or improved at a cost not to exceed $20,000 each, and the cost of altering any one building during the fiscal year shall not exceed $3,750 or 3 per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, *and* for crop and livestock estimates, [and for acquisition of land, $14,116,700] *$14,095,000*: *Provided*, That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to ascertaining, collating, or publishing a report stating the intention of farmers as to the acreage to be planted in cotton, or for estimates of apple production for other than the commercial crop;

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States, [$14,274,900] *$21,197,000*, including not to exceed $25,000 for employment at rates not to exceed $50 per diem, except for employment in rate cases at not to exceed $100 per diem pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in carrying out section 201 (a) to 201 (d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of the Agricultural Marketing Act of 1946.

[For an additional amount for "Marketing Research and Service", for Marketing Services, $1,300,000: *Provided*, That this paragraph shall be effective only upon enactment into law of S. 1747 of the Eighty-fifth Congress.] *(5 U. S. C. 511–512, 541a, 556b, 563–564, 575; 7 U. S. C. 51–65, 71–87, 91–99, 181–229, 241–273, 411, 411a, 411b, 414a, 415b–415e, 423, 440, 471–476, 491–497, 499a–499s, 501–508, 511–511q, 516, 581–589, 951–957, 1551–1610; 15 U. S. C. 251–257i; 21 U. S. C. 94a; 26 U. S. C. 4851–4854, 4861–4865, 4871–4877, 6001, 6804, 7233, 7263, 7492, 7493, 7701; 31 U. S. C. 725d; 71 Stat. 306, 426, 441–449; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958; Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$29,691,600** Estimate 1959, **$35,292,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Marketing research and agricultural estimates:			
(a) Marketing research	$6,445,584	$6,984,000	$6,984,000
(b) Economic and statistical analysis	1,420,656	1,535,000	1,535,000
(c) Crop and livestock estimates	5,055,124	5,576,000	5,576,000
Total, marketing research and agricultural estimates	12,921,364	14,095,000	14,095,000
2. Marketing services:			
(a) Market news service	3,991,932	4,323,700	4,323,475
(b) Inspection, grading and classing, and standardization	6,821,090	8,989,700	14,407,825
(c) Freight rate services	160,871	180,800	180,800
(d) Regulatory activities	1,774,196	1,997,400	2,222,400
(e) Administration and coordination of State payments	57,069	62,500	62,500
Total, marketing services	12,805,158	15,554,100	21,197,000
Total direct obligations	25,726,522	29,649,100	35,292,000
Reimbursable obligations:			
2. Marketing services: (b) Inspection, grading and classing, and standardization	$2,248,500	$3,000,100	$2,800,000
Total obligations	27,975,022	32,649,200	38,092,000
Financing:			
Comparative transfers from (−) other accounts	−230,653		
Advanced from Commodity Credit Corporation	−2,248,500	−3,000,100	−2,800,000
Unobligated balance no longer available	524,131	42,500	
New obligational authority	26,020,000	29,691,600	35,292,000
New obligational authority:			
Appropriation	$26,220,000	$29,691,600	$35,292,000
Transferred to "Salaries and expenses," Forest Service (71 Stat. 180)	−200,000		
Appropriation (adjusted)	26,020,000	29,691,600	35,292,000

The domestic agricultural marketing and distribution functions of the Department are concentrated primarily in the Agricultural Marketing Service. The marketing job has become more complex with growth and shift in population, technological developments in production and marketing, and as more and more functions have been transferred from the farm and home to various segments of the marketing system. The work under this appropriation on marketing research and service, aimed at aiding in the orderly and efficient marketing and effective distribution of agricultural products from the Nation's farms to the consumers, is organized on a functional basis.

1. *Marketing research and agricultural estimates*—(*a*) *Marketing research.*—This work is aimed at developing practical answers to problems encountered in moving products from the farm to the consumer. In cooperation with public and private agencies and trade groups, efforts are made to expand markets, reduce losses from waste and spoilage, and reduce marketing costs through improved marketing efficiency and organization. The work includes research at each stage of marketing, such as at assembly points, terminal or central markets, and retail markets.

(*b*) *Economic and statistical analysis.*—This work involves the collection, analysis and interpretation of data affecting agricultural prices, farm income, supply and consumption of farm products, trends in farm population, and changes in the level of living of farm people. The results of these studies are made available to farmers through research bulletins and Situation and Outlook Reports disseminated by the Extension Service and farm organizations. Farmers and others rely on these reports in planning the most profitable adjustments in their operations and marketing programs.

(*c*) *Crop and livestock estimates.*—This service provides the official estimates on agriculture, including acreage, yield, and production of crops, stocks and value of farm commodities, number and production value of livestock items, and prices paid and received by farmers. These data also are basic to computation of parity prices. Data on approximately 150 crop and livestock products are covered in more than 500 reports issued each year. The activity is conducted through 41 State and 1 Territorial offices, most of which are operated as joint State and Federal services. Cooperative arrangements permit the States to obtain a great deal of data which could not be collected or made available from Federal funds. During

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1957, States expended an estimated $1.3 million of their State funds on these cooperative programs.

2. *Marketing services*—(*a*) *Market news service.*—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This day-to-day market information enables American farmers to determine where and when to sell and at what price. The information is collected and disseminated at year-round and seasonal offices maintained in more than 100 cities and towns, often with financial support and cooperation of the States. Every available means of dissemination is used—mail, press, radio, television, telephone, telegraph, bulletin boards, and trade and farm publications.

(*b*) *Inspection, grading and classing, and standardization.*—Uniform standards of quality for agricultural products are established and applied to specific lots of produce to promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of products for market; and furnish consumers with more definite information on the quality of products they buy. The standards are applied directly by or under the supervision of Federal employees at the request of any interested party, and generally for a fee. Approximately 85% of the total cost of the work under the project was offset by fees and other revenue in 1957, which are shown principally under "Agricultural Marketing Service trust funds" in part III of the budget.

The proposed increase for 1959 would be used for work required under the amendment to the Grain Standards Act, Public Law 861, approved August 1, 1956, and to provide inspection to poultry processing plants as required by the Poultry Products Inspection Act, Public Law 85–172, approved August 28, 1957.

(*c*) *Freight rate services.*—Assistance is provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies. The Department in 1957 participated in 77 formal litigation actions before the Interstate Commerce Commission and other regulatory bodies and carried on 38 informal negotiations with carriers and groups of carriers.

(*d*) *Regulatory activities.*—These include the administration of regulatory laws, such as packers and stockyards, standard container, United States warehouse, and Federal seed, to assure fair play in the market place and protect producers and handlers of agricultural commodities from financial loss due to deceptive, careless, or fraudulent marketing practices. The continued growth of facilities and means for storing, buying, and selling results in more demand and need for protection and benefits of regulatory laws. The increase in 1959 would be used to strengthen overall administration of the Packers and Stockyards Act.

	1957 actual	*1958 estimate*	*1959 estimate*
Packers and Stockyards Act:			
Yards eligible for posting and supervision (estimated)	855	855	855
Yards posted and supervised	546	606	736
Warehouse Act:			
Number of licensed warehouses	1,652	1,700	1,750
Capacity of licensed warehouses:			
Grain (millions—bushels)	774.2	825	850
Cotton (millions—bales)	13.5	13.5	13.6
Average number of supervisory inspections per warehouse	1.6	1.7	1.7

(*e*) *Administration and coordination of State payments.*—This covers the work of administering and coordinating the marketing service work performed by the States matched with funds provided by the appropriation "Payments to States, Territories, and possessions." In 1957, this work was carried on in 39 States and 3 Territories.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4,979	4,938	5,952
Full-time equivalent of all other positions	343	387	362
Average number of all employees	3,827	4,399	5,226
Number of employees at end of year	4,253	5,203	5,612
Average GS grade and salary	7.2 $5,258	7.3 $5,288	7.3 $5,306
Average salary of ungraded positions	$3,866	$3,962	$4,230
Personal service obligations:			
Permanent positions	$18,841,089	$21,804,625	$26,291,560
Positions other than permanent	1,098,400	1,216,315	1,070,315
Other personal services	133,544	201,560	211,325
Total personal service obligations	20,073,033	23,222,500	27,573,200
Direct obligations:			
01 Personal services	18,405,478	20,973,500	25,470,200
02 Travel	1,545,181	1,753,400	2,192,300
03 Transportation of things	247,695	250,400	301,400
04 Communication services	1,501,568	1,611,300	1,654,100
05 Rents and utility services	219,963	207,200	207,500
06 Printing and reproduction	553,624	596,300	625,800
07 Other contractual services	1,535,378	1,339,500	1,351,500
Services performed by other agencies	600,734	671,600	835,000
08 Supplies and materials	587,525	534,100	561,800
09 Equipment	479,006	334,800	444,100
10 Land and structures		70,000	10,000
11 Grants, subsidies, and contributions		1,253,700	1,568,300
13 Refunds, awards, and indemnities	14,980	14,300	22,900
15 Taxes and assessments	35,390	39,000	47,100
Total direct obligations	25,726,522	29,649,100	35,292,000
Reimbursable obligations:			
01 Personal services	1,667,555	2,249,000	2,103,000
02 Travel	169,772	221,200	205,300
03 Transportation of things	87,787	115,000	106,700
04 Communication services	82,851	72,000	66,800
05 Rents and utility services	52,280	28,800	26,700
06 Printing and reproduction	21,145	27,200	25,200
07 Other contractual services	23,449	29,800	27,700
Services performed by other agencies	368		
08 Supplies and materials	99,422	82,600	76,700
09 Equipment	33,124	39,400	36,600
11 Grants, subsidies, and contributions		116,000	107,600
13 Refunds, awards, and indemnities	516	1,100	1,000
15 Taxes and assessments	10,231	18,000	16,700
Total reimbursable obligations	2,248,500	3,000,100	2,800,000
Total obligations	27,975,022	32,649,200	38,092,000

Payments to States, Territories, and Possessions

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623 (b)), $1,160,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$1,160,000** Estimate 1959, **$1,160,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payments for marketing service work (sec. 204 (b) of the Agricultural Marketing Act of 1946) (total obligations)	$1,160,000	$1,160,000	$1,160,000
Financing:			
Appropriation (new obligational authority)	1,160,000	1,160,000	1,160,000

Payments are made on a matched fund basis to State and Territorial marketing agencies for programs designed to get into practical use in the marketing of farm products, improved methods and practices developed in the expanding marketing research program.

This program covers such projects as methods of maintaining and improving the quality of products; ways of reducing marketing costs; and use of special local market information to move abundant supplies to the most profitable market. Through this cooperative research,

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AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS—Continued

the Federal Government's leadership and funds are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems, such as alleviating the current problems of surpluses and lowered farm income.

In 1958, with 43 States and Territories conducting about 122 projects, the program is being carried on at the same level as in 1957. A similar program is proposed for 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$1,160,000	$1,160,000	$1,160,000

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U. S. C. 1751–1760), $100,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$100,000,000** Estimate 1959, **$100,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Food assistance:			
(*a*) Cash payments to States	$83,914,673	$83,600,000	$83,600,000
(*b*) Commodity procurement (sec. 6)	14,696,008	15,000,000	15,000,000
2. Operating expenses	1,180,512	1,400,000	1,400,000
Total obligations	99,791,193	100,000,000	100,000,000
Financing:			
Unobligated balance no longer available	208,807		
Appropriation (new obligational authority)	100,000,000	100,000,000	100,000,000

Assistance, in the form of both funds and food, is provided to States and Territories in serving lunches to school children. Each State's portion of the funds available is determined by a statutory formula which takes into account the number of school-age children in the State and the relationship between the per capita income of the State and the average United States per capita income.

The program is operated under an agreement entered into by the State educational agency (which administers the program within the State) and the Department of Agriculture. Schools make application to the State agency and if accepted are reimbursed for a part of the food cost of each meal served.

In 1957 the States contributed to this program $562 million, most of which came from payments by children. This was far in excess of the $211 million necessary to meet the statutory matching requirement of $3 for each Federal dollar of cash payment.

In addition to providing cash assistance, this appropriation is used to purchase food under section 6 of the School Lunch Act for distribution to the schools. This program also provides one of the major outlets for surplus commodities purchased under section 32 of the Agricultural Adjustment Act of 1935, as amended. Further, commodities acquired under price support programs and assistance through the special milk program (a price-support activity) are available to the schools. The volume of surplus commodities distributed to schools, however, is dependent upon market conditions and the need for the Federal Government to remove surpluses.

The program in 1957 during the peak month provided lunches to nearly 30% of the approximately 37 million school children in the country. The number of types A and B lunches served, which must meet established nutritional requirements, increased approximately 10% over 1956. Participation in the program in December reached 10.8 million children in 57,555 schools and an appreciable increase is expected in 1958 and 1959.

During 1957 about $561.5 million worth of agricultural commodities were used in the program. About 23% of this amount represented commodities contributed under Federal surplus removal and price support programs.

Participation in the program from 1956 through 1959 is as follows:

	1956 actual	*1957 preliminary*	*1958 estimate*	*1959 estimate*
Average number of schools	51,382	52,657	53,000	53,500
Average number school children (millions)	9.353	9.587	10.5	11.5
Number of meals served (billions)	1.726	1.774	2.0	2.2

Financing of the program in the last 3 years was as follows:

[In millions]

	1955	*1956*	*1957*
State and local contributions (total, including payments by children)	$459.3	$515.0	$562.0
Federal appropriation:			
(*a*) Cash payments	69.2	67.1	83.9
(*b*) Commodity procurement	12.8	14.8	14.8
Surplus commodity distribution	70.3	100.0	132.0
Special milk program	17.2	45.8	60.6
Federal contribution	169.5	227.7	291.3
Total, all contributions	628.8	742.7	853.3

Object Classification

	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions	159	169	169
Full-time equivalent of all other positions		1	1
Average number of all employees	140	165	165
Number of employees at end of year	132	164	164
Average GS grade and salary	7.2 $5,258	7.3 $5,288	7.3 $5,306
Average salary of ungraded positions	$3,866	$3,962	$4,230
01 Personal services:			
Permanent positions	$816,768	$926,408	$926,600
Positions other than permanent		5,420	5,400
Other personal services	6,395	8,172	8,000
Total personal services	823,163	940,000	940,000
02 Travel	105,496	125,000	125,000
03 Transportation of things	1,080	2,000	2,000
04 Communication services	29,055	38,000	38,000
05 Rents and utility services	13,722	15,000	15,000
06 Printing and reproduction	13,302	18,000	18,000
07 Other contractual services	9,886	10,800	14,100
Services performed by other agencies	61,500	44,200	39,200
08 Supplies and materials	12,551	12,700	12,700
09 Equipment	17,212	15,000	15,000
11 Grants, subsidies, and contributions		59,500	61,000
Cash payments	83,914,673	83,600,000	83,600,000
13 Refunds, awards, and indemnities	890	3,000	3,000
15 Taxes and assessments	531	1,000	1,000
Total, Agricultural Marketing Service	85,003,061	84,884,200	84,884,000
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions	20	20	20
Average number of all employees	18	20	20
Number of employees at end of year	5	8	8
Average GS grade and salary	5.6 $4,556	5.8 $4,635	5.8 $4,647
01 Personal services:			
Permanent positions	$80,662	$95,397	$94,000
Other personal services	874	1,003	1,000
Total personal services	81,536	96,400	95,000

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION TO COMMODITY STABILIZATION SERVICE—continued			
02	Travel	$846	$2,736	$3,000
03	Transportation of things	292	510	500
04	Communication services	2,191	2,097	2,500
05	Rents and utility services	2,933	3,539	4,500
06	Printing and reproduction	1,249	1,745	1,700
07	Other contractual services	615	902	900
08	Supplies and materials	1,008	1,093	1,000
09	Equipment	1,218	582	600
11	Grants, subsidies, and contributions		5,962	6,110
	Commodity procurement (sec. 6)	14,696,008	15,000,000	15,000,000
13	Refunds, awards, and indemnities	181	195	150
15	Taxes and assessments	55	39	40
	Total, Commodity Stabilization Service	14,788,132	15,115,800	15,116,000
	Total obligations	99,791,193	100,000,000	100,000,000

[Reimbursement to Commodity Credit Corporation for Advances for Grading and Classing Activities]

[For reimbursement to Commodity Credit Corporation for sums transferred to the appropriation "Marketing research and service" through June 30, 1956 (including interest thereon through June 30, 1957), pursuant to the Act of August 31, 1951 (7 U. S. C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U. S. C. 473a, 511d), $80,449.] *(Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$80,449**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Repayment of advances from Commodity Credit Corporation for classing cotton and grading tobacco (total obligations)	$366,927	$80,449	
Financing:			
Unobligated balance no longer available	813		
Appropriation (new obligational authority)	367,740	80,449	

The Commodity Credit Corporation makes advances to the Agricultural Marketing Service for the classing and grading of agricultural commodities without charge to producers. Such advances must be repaid from subsequent appropriations.

The advances received in 1957 for classing cotton and grading tobacco not placed under commodity loan are expected to be repaid through a supplemental appropriation in 1958. Therefore, no funds will be needed in 1959 under this item.

Object Classification

		1957 actual	1958 estimate	1959 estimate
14	Interest	$7,402	$3,548	
	Undistributed: Repayment of advances from Commodity Credit Corporation	359,525	76,901	
	Total obligations	366,927	80,449	

Allotments and Allocations Received From Other Accounts

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Commodity Credit Corporation fund."
"Mutual security," funds appropriated to the President.
"Salaries and expenses, civil defense functions of Federal agencies," Federal Civil Defense Administration.

Permanent authorizations:

Perishable Agricultural Commodities Act Fund

(Indefinite special account)

Appropriated (estimate) 1958, **$662,000** Estimate 1959, **$679,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations: Licensing dealers and handling complaints	$525,353	$664,700	$679,600
Reimbursable obligations: Licensing dealers and handling complaints		25,400	25,400
Total obligations	525,353	690,100	705,000
Financing:			
Unobligated balance brought forward	−304,401	−311,738	−309,038
Advances from "Marketing research and service" (7 U. S. C. 499s)		−25,400	−25,400
Unobligated balance carried forward	311,738	309,038	309,038
Appropriation (new obligational authority)	532,690	662,000	679,600

License fees are deposited in this special fund and are used to meet costs of administering the Perishable Agricultural Commodities, Produce Agency, and Export Apple and Pear Acts (7 U. S. C. 491–497, 499a–499s, 581–589).

These acts are aimed at assuring equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (1) informal settlements agreeable to both parties, (2) formal decisions involving payments of reparation awards between parties, and (3) suspension or revocation of license and/or publication of the facts. Approximately 26,000 licenses were in effect on June 30, 1957, and this is expected to increase by about 1,000 by the close of 1959. Formal complaints are expected to continue to average around 2,000 a year. Under the amendment to the act in 1956, aggressive steps are being taken to assist growers and shippers to correct or prevent misbranding of produce which will tend to hold down the number of potential complaints. The increase in 1959 will place on a full-year basis the expansion made in 1958.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	104	113	113
	Full-time equivalent of all other positions		2	2
	Average number of all employees	85	110	111
	Number of employees at end of year	93	117	117
	Average GS grade and salary	7.2 $5,258	7.3 $5,288	7.3 $5,306
	Average salary of ungraded positions	$3,866	$3,962	$4,230
	Direct obligations:			
01	Personal services:			
	Permanent positions	$429,161	$525,764	$539,964
	Positions other than permanent	1,435	8,015	8,015
	Other personal services	1,211	2,321	2,321
	Total personal services	431,807	536,100	550,300
02	Travel	36,003	45,700	45,700
03	Transportation of things	120	1,500	1,500
04	Communication services	15,212	18,850	18,500
05	Rents and utility services	3,727	9,000	9,000
06	Printing and reproduction	14,917	13,100	13,000
07	Other contractual services	9,684	18,000	17,500
	Services performed by other agencies	397		
08	Supplies and materials	7,054	7,600	7,800
09	Equipment	4,480	5,055	5,000
11	Grants, subsidies, and contributions		7,565	9,000
13	Refunds, awards, and indemnities	1,612	1,875	1,900
15	Taxes and assessments	340	355	400
	Total direct obligations	525,353	664,700	679,600
	Reimbursable obligations:			
11	Grants, subsidies, and contributions		25,400	25,400
	Total obligations	525,353	690,100	705,000

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AGRICULTURAL MARKETING SERVICE—Continued

Permanent authorizations—Continued

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(Indefinite)

Appropriated (est.) 1958, **$220,878,158** Estimate 1959, **$232,500,000**
Appropriated (adjusted) 1958, **$216,227,007**
Estimate (adjusted) 1959, **$227,850,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Commodity program payments:			
(a) Direct purchases	$122,797,380		
(b) Export payments	8,570,290	$143,483,000	$143,483,000
(c) Diversion payments	6,196,409		
2. Surplus removal operating expenses	2,196,548	2,763,000	2,763,000
3. Marketing agreements and orders	1,436,280	1,660,000	1,660,000
4. Foreign market promotion	1,598,375	1,871,000	1,871,000
5. Import controls	183,364	223,000	223,000
Total obligations	142,978,646	150,000,000	150,000,000
Financing:			
Unobligated balance brought forward	−244,701,053	−297,948,852	−300,000,000
Recovery of prior year obligations	−609,557		
Unobligated balance carried forward	297,948,852	300,000,000	300,000,000
Unobligated balance no longer available		64,175,859	77,850,000
New obligational authority	195,616,888	216,227,007	227,850,000
New obligational authority:			
Appropriation	$199,976,003	$220,878,158	$232,500,000
Transferred to "Promote and develop fishery products and research pertaining to American fisheries," Fish and Wildlife Service, Department of the Interior (15 U. S. C. 713c-3, as amended by act of Aug. 8, 1956)	−4,359,115	−4,651,151	−4,650,000
Appropriation (adjusted)	195,616,888	216,227,007	227,850,000

Under section 32 of the act of August 24, 1935 (7 U. S. C. 612c) an amount equal to 30% of customs receipts during each calendar year and unused balances up to $300 million are available for expanding domestic and foreign market outlets for farm commodities. These funds are also authorized for the administration of marketing agreements and orders, and the section 22 import-control programs. The basic legislation provides that not more than 25% of funds available shall be devoted to any one commodity or product thereof. It also provides that the funds shall be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. These title II commodities are: tung nuts, honey, milk, butterfat, and the products of milk and butterfat.

An amount equal to 30% of receipts collected on fishery products is transferred to the Department of the Interior to encourage distribution of fishery products. The act of May 28, 1956 (7 U. S. C. 1855), authorizes the appropriation of an additional $500 million annually to carry out the purposes of section 32 of which not to exceed 50% may be devoted to any one commodity.

1. *Commodity program payments include*—(*a*) *Direct purchases* which are donated to the school lunch program, charitable institutions serving needy persons and persons certified by welfare agencies as eligible for relief; (*b*) *Export payments* which enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices; (*c*) *Diversion payments* which enable processors to purchase surplus commodities, divert them to byproducts and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities.

The use of section 32 program funds is contingent upon economic conditions at the time. The estimates for both 1958 and 1959 reflect in total the requirements based on the situation as now foreseen. Distribution of this total in advance would be highly tentative since the type of program to be used is dependent upon a determination at the time of the kind of action which will best meet the particular need which had developed. If troublesome surpluses not now foreseen should develop, steps would be taken to use additional funds for their removal or diversion as conditions might warrant. During the past 2 years assistance under these programs was given to the following commodity groups:

[In millions]

	1956	*1957*
Cottonseed oils	$8.1	-----
Dairy products	78.1	$55.4
Eggs and poultry	-----	26.3
Fruits	4.3	1.6
Grain	12.5	13.1
Livestock products	101.2	33.4
Vegetables	9.5	7.7
Total	213.7	137.5

2. *Surplus removal operating expenses.*—These expenses are mainly in connection with purchasing, exporting, and diverting surplus commodities and in distributing section 32 and Commodity Credit Corporation commodities to eligible outlets. Approximately 2,789 million pounds of these commodities were distributed in 1957. Supervisory assistance is furnished local and State groups to encourage the preservation of surpluses for year-round use. In cooperation with the food trade, press and radio, greater consumption of abundant foods is encouraged. In 1957, the monthly plentiful foods list contained an average of 12 foods, and 10 national and 23 area, State, and local drives were conducted.

3. *Marketing agreements and orders.*—These are put into effect upon request of producers or handlers after hearings, investigations, and approved by producers (and handlers in case of marketing agreements). They help stabilize prices and benefit producers and consumers by establishing and maintaining orderly marketing conditions. Administration at the local level is financed by assessments upon handlers. On June 30, 1957, there were 67 orders in effect for milk, and 34 covering tree fruits, tree nuts, and vegetables.

4. *Foreign market promotion.*—Maintenance and expansion of foreign markets for surplus agricultural products are promoted by (*a*) obtaining and analyzing information on foreign-market requirements and making such information available to farm and trade groups; (*b*) developing market programs for use by producers, exporters, and Government officials to maintain and expand the market abroad of United States farm products; (*c*) assisting domestic trade representatives in negotiations with foreign government officials, importers, and consumers, and bringing together American exporters and foreign importers under conditions favorable to trade; (*d*) developing agreements with foreign countries for sales of U. S. agricultural commodities under title I of Public Law 480, and followup on the shipments of those commodities; and (*e*) preparing and supervising the operation of, or operating directly, market development projects to further expand foreign markets for agricultural products with foreign currencies generated under title I of Public Law 480.

5. *Import controls.*—Importation of articles, which interfere with programs carried out by the Department of Agriculture, is investigated and the information is developed in accordance with section 22 of the Agricultural Adjustment Act, as amended. During 1957, investigations were conducted on 16 commodities and 6 recommendations were submitted to the President or the

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Tariff Commission. Under import controls for dairy products a total of 2,021 licenses for imports of cheese were issued and 106 for manufactured dairy products other than cheese.

Object Classification

	1957 actual	1958 estimate	1959 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions	509	499	499
Full-time equivalent of all other positions	3	5	5
Average number of all employees	417	459	459
Number of employees at end of year	441	450	450
Average GS grade and salary	7.2 $5,258	7.3 $5,288	7.3 $5,306
Average salary of ungraded positions	$3,866	$3,962	$4,230
01 Personal services:			
Permanent positions	$2,483,977	$2,758,900	$2,758,900
Positions other than permanent	10,085	16,300	16,300
Other personal services	6,547	21,800	21,800
Total personal services	2,500,609	2,797,000	2,797,000
02 Travel	244,774	270,000	270,000
03 Transportation of things	4,876	7,000	7,000
04 Communication services	77,155	85,000	85,000
05 Rents and utility services	28,064	25,000	25,000
06 Printing and reproduction	38,796	44,000	42,000
07 Other contractual services	75,300	85,000	82,500
08 Supplies and materials	21,287	27,000	27,000
09 Equipment	24,114	30,000	28,500
11 Grants, subsidies, and contributions		180,000	188,000
Commodity program payments	1,566,577	300,000	2,000,000
13 Refunds, awards, and indemnities	3,130	6,000	4,000
15 Taxes and assessments	1,231	2,000	2,000
Total, Agricultural Marketing Service	4,585,913	3,858,000	5,558,000
ALLOCATION AND ALLOTMENT ACCOUNTS			
Total number of permanent positions	374	407	403
Full-time equivalent of all other positions	5	5	5
Average number of all employees	327	384	387
Number of employees at end of year	300	340	344
Average GS grade and salary	7.3 $5,794	7.4 $5,823	7.4 $5,822
01 Personal services:			
Permanent positions	$1,893,353	$2,221,550	$2,244,950
Positions other than permanent	18,725	40,600	40,600
Other personal services	15,093	20,300	17,300
Total personal services	1,927,171	2,282,450	2,302,850
02 Travel	155,211	157,400	157,900
03 Transportation of things	4,147	4,100	4,100
04 Communication services	65,337	68,300	69,300
05 Rents and utility services	19,860	22,900	23,800
06 Printing and reproduction	50,169	53,300	53,300
07 Other contractual services	11,050	31,400	21,400
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	25,000	30,000	30,000
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	15,000	40,000	40,000
Services performed by other agencies	56,964	79,200	65,200
08 Supplies and materials	16,961	19,200	18,200
09 Equipment	46,954	28,900	24,900
11 Grants, subsidies, and contributions		139,650	145,850
Commodity program payments	135,997,502	143,183,000	141,483,000
13 Refunds, awards, and indemnities	511	600	600
15 Taxes and assessments	896	1,600	1,600
Total, allocation and allotment accounts	138,392,733	146,142,000	144,442,000
Total obligations	142,978,646	150,000,000	150,000,000
Obligations are distributed as follows:			
Agricultural Marketing Service	$4,585,913	$3,858,000	$5,558,000
Commodity Stabilization Service	136,610,994	144,048,000	142,348,000
Foreign Agricultural Service	1,781,739	2,094,000	2,094,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research to extend storage life of fresh fruits and vegetables (Department of Defense)	$25,322	$24,000	$24,000
2. Statistical services (Department of Agriculture)	48,800	47,050	47,050
3. Market news service:			
Department of Agriculture	7,985	7,215	7,215
State agencies under cooperative agreement	187,353	212,485	212,485
4. Inspection, grading and classing, and standardization:			
Department of Agriculture	$54,302	$74,265	$74,265
Other Federal agencies	22,843	21,500	21,500
Non-Federal sources	403,597	406,000	816,000
5. Administration of special milk program	472,593	633,300	200,000
6. Wool marketing agreements	3,978	10,200	10,200
7. Storage research on Commodity Credit Corporation owned grains	138,659	149,000	149,000
8. Other services relating to programs administered by Commodity Stabilization Service	99,491	99,700	99,700
9. Miscellaneous services to other accounts	44,185	35,150	27,950
Total obligations	1,509,108	1,719,865	1,689,365
Financing:			
Unobligated balance brought forward		19,945	
Advances and reimbursements from—			
Other accounts	978,708	1,068,285	648,230
Non-Federal sources	606,466	631,635	1,041,135
Unobligated balance carried forward	−19,945		
Unobligated balance no longer available	−56,121		
Total financing	1,509,108	1,719,865	1,689,365

NOTE.—Reimbursements from non-Federal sources above are from cooperating universities, and State, county, local, and private agricultural marketing agencies (5 U. S. C. 563, 564); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U. S. C. 511e); proceeds from sale of photographs (7 U. S. C. 1387) and personal property (40 U. S. C. 481 (c)); from payments by non-Federal agencies for overtime and holiday work and travel performed at poultry processing plants and in connection with appeals inspections on grain for export (5 U. S. C. 576; 71 Stat. 441); and from refund of terminal leave payments (5 U. S. C. 61b).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	181	180	102
Full-time equivalent of all other positions	6	5	5
Average number of all employees	219	229	156
Number of employees at end of year	150	163	69
Average GS grade and salary	7.2 $5,258	7.3 $5,288	7.3 $5,306
Average salary of ungraded positions	$3,866	$3,962	$4,230
01 Personal services:			
Permanent positions	$1,159,077	$1,173,222	$811,424
Positions other than permanent	20,507	18,305	18,300
Other personal services	6,227	145,732	553,776
Total personal services	1,185,811	1,337,259	1,383,500
02 Travel	115,486	121,581	88,340
03 Transportation of things	6,145	15,700	15,000
04 Communication services	74,675	78,065	69,565
05 Rents and utility services	15,945	15,040	10,840
06 Printing and reproduction	10,415	8,815	5,915
07 Other contractual services	39,037	34,465	31,765
08 Supplies and materials	33,655	34,045	30,045
09 Equipment	26,374	19,850	19,350
11 Grants, subsidies, and contributions		51,770	32,670
13 Refunds, awards, and indemnities	380	1,775	1,125
15 Taxes and assessments	1,185	1,500	1,250
Total obligations	1,509,108	1,719,865	1,689,365

Proposed for later transmission:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR ADVANCES FOR GRADING AND CLASSING ACTIVITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Repayment of advances from Commodity Credit Corporation for classing cotton and grading tobacco (total obligations)		$1,139,982	
Financing:			
Proposed supplemental appropriation		1,139,982	

Under existing legislation, 1958.—A proposed supplemental appropriation for 1958 is anticipated for reimbursement to the Commodity Credit Corporation for $1,094,347 advanced in 1957 for inspecting and grading tobacco and classing cotton, and $45,635 for interest on the advances.

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FOREIGN AGRICULTURAL SERVICE

Current authorizations:

Salaries and Expenses

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 ([68 Stat. 908] *7 U. S. C. 1761–1768*), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $25,000 for representation allowances[,] and for expenses pursuant to section 8 of the Act approved August 3, 1956 ([70 Stat. 1034] *7 U. S. C. 1766*), $4,002,300: *Provided,* That not less than $400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis[: *Provided further,* That provisions of the Act of August 1, 1956 (70 Stat. 890–892), and provisions of a similar nature in appropriation Acts of the Department of State for the current and subsequent fiscal years which facilitate the work of the Foreign Service shall be applicable to funds available to the Foreign Agricultural Service]. (*5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$4,002,300** Estimate 1959, **$4,002,300**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Analysis of foreign agriculture and trade	$1,076,581	$1,176,800	$1,176,800
2. Agricultural attaches	2,613,643	2,825,500	2,825,500
Total obligations	3,690,224	4,002,300	4,002,300
Financing:			
Unobligated balance no longer available	34,776		
New obligational authority	3,725,000	4,002,300	4,002,300
New obligational authority:			
Appropriation	$3,750,000	$4,002,300	$4,002,300
Transferred to "Salaries and expenses," Forest Service (71 Stat. 180)	−25,000		
Appropriation (adjusted)	3,725,000	4,002,300	4,002,300

The Foreign Agricultural Service administers programs and policies relating to foreign agriculture. It provides information and assistance as guides in the planning of production and marketing of U. S. agricultural commodities and helps smooth the channels through which exports move.

1. *Analysis of foreign agriculture and trade.*—Analyses are made of world trends in foreign agricultural production, trade, price, finance, marketing, consumption, competition, commercial and trade policies, and economic policies of foreign governments, as such trends affect U. S. foreign agricultural trade and the domestic economy. The Service directs and coordinates Department participation in the formulation of trade programs and agreements to stabilize and expand world trade in American agricultural products, and to reduce restrictive tariff and trade practices against import of American agricultural commodities. Recommendations for the departmental positions on trade agreements and international commodity agreements are formulated. Continuous review is made of the trade regulations and financial conditions of signatories to the General Agreement on Tariffs and Trade in American farm products. Policies, programs, positions, and standards of participation in public and private international organizations are developed.

2. *Agricultural attachés.*—A worldwide agricultural attaché program is conducted by the Department. Assistance is provided in development of markets abroad for U. S. agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting to meet the needs of the American agricultural industry is maintained.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	442	433	417
Full-time equivalent of all other positions	8	5	5
Average number of all employees	392	391	391
Number of employees at end of year	429	407	407
Average GS grade and salary	9.4 $7,059	9.4 $7,061	9.4 $7,061
Average salary of ungraded positions	$2,211	$2,340	$2,388
01 Personal services:			
Permanent positions	$2,265,103	$2,309,100	$2,309,100
Positions other than permanent	22,445	13,100	13,100
Other personal services	226,375	255,100	255,100
Total personal services	2,513,923	2,577,300	2,577,300
02 Travel	247,709	340,200	340,200
03 Transportation of things	122,239	144,500	144,500
04 Communication services	29,327	30,200	30,200
05 Rents and utility services	43,462	50,200	50,200
06 Printing and reproduction	95,019	85,400	84,400
07 Other contractual services	43,008	51,600	51,600
Services performed by other agencies	526,418	516,600	516,600
08 Supplies and materials	21,092	23,500	23,500
09 Equipment	47,084	40,100	35,100
11 Grants, subsidies, and contributions		141,700	147,700
15 Taxes and assessments	943	1,000	1,000
Total obligations	3,690,224	4,002,300	4,002,300

Informational Foreign Currency Schedule

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

[All amounts stated in U. S. dollar equivalents]

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Market development projects (total obligations)	$5,300,317	$8,978,640	$10,000,000
Financing:			
Unobligated balance brought forward	−9,906,421	−7,899,800	−2,927,941
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent	566,404		
Unobligated balance carried forward	7,899,800	2,927,941	6,988,683
Unobligated balance no longer available		1,683,421	
Authorization to expend foreign currency receipts (7 U. S. C. 1704)	3,860,100	5,690,202	14,060,742

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are allocated to the Department to develop new foreign markets and expand existing markets for U. S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The types of market development projects being carried out by the Department include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. A total of $35 million is estimated as the amount available under sales agreements as of June 30, 1957, with 33 countries for projects of this kind.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	16	32	32
Full-time equivalent of all other positions		1	1
Average number of all employees	8	26	32
Number of employees at end of year	13	31	31
Average salary of ungraded positions	$1,880	$2,145	$2,145

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$15,568	$54,100	$66,700
Positions other than permanent		1,350	1,630
Other personal services		50	70
Total personal services	15,568	55,500	68,400
02 Travel	75,521	125,000	135,000
03 Transportation of things	7,309	9,000	9,500
04 Communication services	4,539	7,000	7,500
05 Rents and utility services	48,473	60,000	65,000
06 Printing and reproduction	23,936	25,000	27,500
07 Other contractual services	5,053,464	8,578,040	9,554,800
Services performed by other agencies	51,363	88,000	98,000
08 Supplies and materials	18,962	29,000	32,000
09 Equipment	1,182	2,100	2,300
Total obligations	5,300,317	8,978,640	10,000,000

Analysis of Expenditures

Obligated balance start of year	$874,855	$4,175,828	$4,654,468
Obligations incurred during the year	5,300,317	8,978,640	10,000,000
Obligated balance end of year	−4,175,828	−4,654,468	−5,054,468
Expenditures	1,999,344	8,500,000	9,600,000

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Removal of surplus agricultural commodities."
"Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Training in rural youth activities (Department of State)	$2,181		
2. Commodity Credit Corporation representation for sales, barter, and stockpiling	15,448	$39,750	$48,950
3. Services to other accounts	123,747	147,950	156,450
Total obligations	141,376	187,700	205,400
Financing:			
Advances and reimbursements from—			
Other accounts	141,100	187,700	205,400
Non-Federal sources (40 U. S. C. 481 (c))	276		
Total financing	141,376	187,700	205,400

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	21	22	22
Full-time equivalent of all other positions		1	1
Average number of all employees	21	24	24
Number of employees at end of year	20	21	21
Average GS grade and salary	8.5 $6,501	8.9 $6,746	9.0 $6,785
01 Personal services:			
Permanent positions	$119,518	$155,490	$156,620
Positions other than permanent	1,334	1,700	1,700
Other personal services	1,239	6,910	6,980
Total personal services	122,091	164,100	165,300
02 Travel	6,765	8,900	17,050
03 Transportation of things	5,800		
04 Communication services		700	700
06 Printing and reproduction	1,106	1,100	1,100
07 Other contractual services	43	500	800
Services performed by other agencies	2,010		7,900
08 Supplies and materials	1,380	2,700	2,700
11 Grants, subsidies, and contributions	2,181	9,700	9,850
Total obligations	141,376	187,700	205,400

COMMODITY EXCHANGE AUTHORITY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1–17a), $832,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$832,000** Estimate 1959, **$832,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Licensing	$52,003	$54,900	$54,900
2. Supervision of futures trading	416,906	441,100	441,100
3. Audits	177,386	183,700	183,700
4. Investigations	138,287	152,300	152,300
Total obligations	784,582	832,000	832,000
Financing:			
Unobligated balance no longer available	2,818		
Appropriation (new obligational authority)	787,400	832,000	832,000

Enforcement of the Commodity Exchange Act requires supervision over futures trading in 23 commodities on 16 exchanges to prevent price manipulation and corners, and insure honesty and fair dealing. Transactions on contract markets were estimated at 8,837,000 in 1957, and the value of trading approximately $36 billion.

1. *Licensing.*—Commission merchants and floor brokers are registered annually. In 1957 there were 579 commission merchants and 887 floor brokers so registered. The estimates for 1959 are 580 and 910, respectively. Exchange rules and regulations are reviewed to insure that legal requirements are met.

2. *Supervision of futures trading.*—This embraces (*a*) examination and analysis of reports and other market data, the making of market position surveys, and publication of summary data; (*b*) establishment, review, and enforcement of speculative limits; and (*c*) cooperative activities with control committees of contract markets. In 1957, position surveys covered 5,787 traders.

REPORTS TABULATED AND ANALYZED

	1957 actual	*1958 estimate*	*1959 estimate*
Daily trading volume and open contracts	276,242	280,000	280,000
Daily and weekly reports on large traders	305,082	310,000	310,000
Delivery notices	37,189	38,000	38,000

3. *Audits.*—Misuse of customers' funds is prevented by (*a*) audit and examination of books of futures commission merchants; and (*b*) analysis of brokers' and traders' books and financial statements.

AUDITS

	1957 actual	*1958 estimate*	*1959 estimate*
Audits of customers' segregated funds	649	700	700
Accounts examined	33,270	34,000	34,000
Financial statements examined	577	580	580

4. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations and compile legal evidence. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings. In 1957 there were 48 compliance investigations completed and 6,100 transactions examined.

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COMMODITY EXCHANGE AUTHORITY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	137	135	135
Average number of all employees	126	128	128
Number of employees at end of year	127	127	127
Average GS grade and salary	6.8 $5,379	6.9 $5,395	6.9 $5,419
01 Personal services:			
Permanent positions	$697,761	$706,900	$706,900
Other personal services	377	3,300	3,300
Total personal services	698,138	710,200	710,200
02 Travel	12,827	10,300	10,300
03 Transportation of things	1,484	1,000	600
04 Communication services	18,919	18,600	17,800
05 Rents and utility services	15,013	15,400	15,400
06 Printing and reproduction	13,464	13,100	13,000
07 Other contractual services	12,578	9,700	9,700
Services performed by other agencies	1,158	950	900
08 Supplies and materials	5,730	5,300	5,300
09 Equipment	4,413	2,150	2,000
11 Grants, subsidies, and contributions		44,600	46,100
13 Refunds, awards, and indemnities	780	600	600
15 Taxes and assessments	78	100	100
Total obligations	784,582	832,000	832,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Supervision of futures trading (total obligations)	$27		
Financing:			
Advances and reimbursements from non-Federal sources (40 U. S. C. 481(c))	27		

Object Classification

09 Equipment	$27		

SOIL BANK PROGRAMS

The Soil Bank Act (7 U. S. C. 1801–1837) authorized an acreage reserve program and a conservation reserve program to assist farmers to divert cropland from production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest, and wildlife conservation. The activities are supplementary to the acreage allotments and marketing quota programs authorized and appropriated for under the Agricultural Adjustment Act of 1938, as amended, and together with such programs constitute an overall program to prevent excessive supplies of agricultural commodities from burdening and obstructing interstate and foreign commerce.

In 1957 the programs were financed from funds of the Commodity Credit Corporation pursuant to section 120 of the Soil Bank Act, which authorized the Secretary to utilize the facilities, services, authorities, and funds of the Corporation in carrying out the act through June 30, 1957. A supplemental appropriation for 1958 is anticipated to reimburse the Corporation for expenditures incurred during this period. Appropriations were provided for the conservation reserve and acreage reserve programs in 1958 from which funds are being advanced to the Corporation to cover payments to farmers and ranchers under the programs.

Current authorizations:

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U. S. C. 1831–1837 and 1802–1814), [$162,940,000] *$350,000,000*: *Provided*, That not to exceed $18,000,000 shall be available for administrative expenses of which not less than $13,500,000 may be transferred to the appropriation account, "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which together with contracts already entered into would require payments to producers (including the cost of materials and services) in excess of [$325,000,000] *$450,000,000* in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$162,940,000** Estimate 1959, **$350,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Conservation reserve program (total obligations)	$37,843,118	$162,940,000	$350,000,000
Financing:			
Unobligated balance brought forward		−1,002,662	
Unobligated balance transferred to "Commodity Credit Corporation fund" (7 U. S. C. 1808)		2,081,766	
Recovery of prior year obligations		−1,079,104	
Unobligated balance carried forward	1,002,662		
New obligational authority	38,845,780	162,940,000	350,000,000
New obligational authority:			
Appropriation	$0	$162,940,000	$350,000,000
Transferred from "Commodity Credit Corporation fund" (7 U. S. C. 1808)	38,845,780		
Appropriation (adjusted)	38,845,780	162,940,000	350,000,000

The objective of this program is to encourage the shift of 20 million acres of cropland into grass, trees, water storage or other long-range conservation uses. Producers may enter into contracts during calendar years 1956 through 1960 for periods of 3 to 15 years. In return for removing designated cropland from production and establishing long-range conservation practices, the producer receives cost-sharing assistance for establishment of the practice and annual payments for the duration of the contract. Total annual payments to a producer for any year are generally limited to $5,000.

Accomplishments under the 1956 and 1957 programs are summarized below:

Number of agreements as of July 15, 1957	82,588
Number of acres	6,357,932
Payments approved through end of calendar year 1956	$13,151,134
Estimated payments to be approved in calendar year 1957	$58,097,075

For the 1958 program, greater encouragement is being directed toward the inclusion of total farms in the program, and greater emphasis is being placed on forestry and wildlife practices. The Secretary may not enter into contracts with producers which would require payments to producers in excess of $325 million for the 1958 calendar year.

The budget proposes to increase the authorization for contracts in the 1959 calendar year to $450 million. This increase is in lieu of an acreage reserve program on 1959 crops. This shift in emphasis, it is believed, will provide more permanent conservation benefits and will contribute to crop reduction.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
COMMODITY STABILIZATION SERVICE			
06 Printing and reproduction	$63,084	$100,000	$100,000
07 Other contractual services:			
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	1,600,000	2,400,000	2,400,000
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	9,000,000	13,500,000	13,500,000
"Commodity Credit Corporation fund"	155,872		
11 Grants, subsidies, and contributions:			
Conservation reserve payments	18,547,354	140,940,000	330,000,000
Total, Commodity Stabilization Service	29,366,310	156,940,000	346,000,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions	77	96	96
Average number of all employees	160	221	220
Number of employees at end of year	83	148	150
Average GS grade and salary	6.4 $4,911	6.5 $4,941	6.5 $4,940
01 Personal services:			
Permanent positions	$981,950	$962,563	$964,707
Positions other than permanent	34,022	176,294	171,500
Other personal services	1,290	3,091	3,095
Total personal services	1,017,262	1,141,948	1,139,302
02 Travel	50,631	65,470	54,900
03 Transportation of things	7,551	4,422	4,022
04 Communication services	5,058	7,257	7,257
05 Rents and utility services	2,666	1,900	1,900
06 Printing and reproduction	20,398	12,640	11,655
07 Other contractual services	130,537	83,170	82,670
Services performed by other agencies	9,057	8,670	8,670
08 Supplies and materials	175,074	50,059	39,476
09 Equipment	15,582	6,145	6,102
11 Grants, subsidies, and contributions	7,042,766	4,614,613	2,639,911
13 Refunds, awards, and indemnities		6	
15 Taxes and assessments	816	4,200	4,135
Subtotal	8,477,398	6,000,500	4,000,000
Deduct quarters and subsistence charges	590	500	
Total, allotment accounts	8,476,808	6,000,000	4,000,000
Total obligations	37,843,118	162,940,000	350,000,000
Obligations are distributed as follows:			
Commodity Stabilization Service	$29,366,310	$156,940,000	$346,000,000
Agricultural Conservation Program Service	25,237	39,000	39,000
Forest Service	7,632,263	4,865,000	2,865,000
Soil Conservation Service	775,003	1,000,000	1,000,000
Office of the General Counsel	37,300	87,500	87,500
Office of Information	7,005	8,500	8,500

Acreage Reserve Program

For necessary expenses to carry out an acreage reserve program in accordance with the provisions of subtitles A and C of the Soil Bank Act (7 U. S. C. 1821–1824 and 1802–1814), [$600,000,000] *$330,000,000*: *Provided*, That not to exceed [$34,500,000] *$13,000,000* of the total sum provided under this head shall be available for administrative expenses: *Provided further*, That no part of this appropriation shall be used to formulate and administer an acreage reserve program [which would result in total compensation being paid to producers in excess of $500,000,000 with respect to the 1958 crops, or in total compensation being paid to any one producer in excess of $3,000] with respect to the [1958] *1959* crops. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$600,000,000** Estimate 1959, **$330,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Acreage reserve program (total obligations)	$510,808,415	$600,000,000	$330,000,000
Financing:			
Unobligated balance brought forward		−14,606,768	
Unobligated balance transferred to "Commodity Credit Corporation fund" (7 U. S. C. 1808)		17,159,117	
Recovery of prior year obligations		−2,552,349	
Unobligated balance carried forward	14,606,768		
New obligational authority	525,415,183	600,000,000	330,000,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
New obligational authority:			
Appropriation	$0	$600,000,000	$330,000,000
Transferred from "Commodity Credit Corporation fund" (7 U. S. C. 1808)	525,415,183		
Appropriation (adjusted)	525,415,183	600,000,000	330,000,000

This program is authorized for 4 crop years from 1956 through 1959. Producers are compensated for reducing their acreages for commodities below acreage allotments.

Accomplishments under the 1956 and 1957 programs are summarized below:

Commodity	*Number of agreements*		*Number of acres*		*Maximum possible payments*	
	1956	*1957*	*1956*	*1957*	*1956*	*1957*
Tobacco	20,093	51,828	32,502	79,701	$6,633,018	$17,806,424
Peanuts	5,310		44,000		595,626	
Wheat	110,974	233,004	5,670,441	12,783,192	44,739,889	230,851,526
Cotton	95,669	301,053	1,121,151	3,015,630	27,336,091	153,296,122
Corn	314,761	323,686	5,315,578	5,233,478	179,664,064	196,417,873
Rice	1,117	4,825	28,162	242,017	1,394,294	15,466,625
Total	547,924	914,396	12,211,834	21,354,018	260,362,982	613,838,570

Commodities covered in the 1958 program are the same as in 1957. The compensation paid producers with respect to the 1958 crops may not exceed $500 million, and not more than $3,000 in acreage reserve payments can be paid to any one producer with respect to one farming unit.

The budget proposes the elimination of a program for 1959 crops. The proposal to eliminate the 1959 program reflects a proposed change in emphasis to an expanded conservation reserve program under which it is believed more concrete and more permanent benefits in the areas of conservation and crop reduction will accrue to the Nation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
COMMODITY STABILIZATION SERVICE			
03 Transportation of things	$2,171	$5,000	$5,000
06 Printing and reproduction	217,056	245,000	245,000
07 Other contractual services	9,400		
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	2,775,000	4,231,000	4,231,000
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	27,000,000	29,919,000	8,419,000
"Commodity Credit Corporation fund"	3,595,875		
11 Grants, subsidies, and contributions:			
Acreage reserve payments	477,161,076	565,500,000	317,000,000
Total, Commodity Stabilization Service	510,760,578	599,900,000	329,900,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions	1	1	1
Average number of all employees	7	14	14
Number of employees at end of year	8	14	14
Average GS grade and salary	8.4 $6,218	8.5 $6,131	8.5 $6,183
01 Personal services:			
Permanent positions	$42,214	$85,067	$85,680
Positions other than permanent		35	35
Other personal services		298	
Total personal services	42,214	85,400	85,715
02 Travel	1,926	5,665	5,335
03 Transportation of things	194	300	200
04 Communication services	263	500	500
06 Printing and reproduction	734	1,375	1,375
07 Other contractual services	260	450	450
Services performed by other agencies	706	800	700
08 Supplies and materials	130	475	475
09 Equipment	1,399		
11 Grants, subsidies, and contributions		5,035	5,250
15 Taxes and assessments	11		
Total, allotment accounts	47,837	100,000	100,000
Total obligations	510,808,415	600,000,000	330,000,000
Obligations are distributed as follows:			
Commodity Stabilization Service	$510,760,578	$599,900,000	$329,900,000
Office of the General Counsel	37,329	87,500	87,500
Office of Information	10,508	12,500	12,500

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SOIL BANK PROGRAMS—Continued

Proposed for later transmission:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS INCURRED UNDER SOIL BANK PROGRAMS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acreage reserve program		$508,256,066	
2. Conservation reserve program		36,764,014	
3. Interest expense		22,479,920	
Total obligations		567,500,000	
Financing:			
Proposed supplemental appropriation		567,500,000	
Transferred to "Commodity Credit Corporation fund" (7 U. S. C. 1808)		−545,020,080	
Proposed supplemental appropriation (adjusted)		22,479,920	

Under existing legislation, 1958.—Public Law 540, approved May 28, 1956, authorized the Secretary to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in carrying out the Soil Bank Act through June 30, 1957. The law authorized appropriations to be made for payment to the Corporation for costs incurred by it under this legislation. A proposed supplemental appropriation for 1958 in the amount of $567.5 million is anticipated for this purpose.

COMMODITY STABILIZATION SERVICE

Current authorizations:

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301–1393), [$40,715,000] *$39,715,000,* of which not more than $6,380,100 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938". (*71 Stat. 10, 284, 344, 477–478, 592; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$40,715,000** Estimate 1959, **$39,715,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Acreage allotments and marketing quotas (total obligations)	$40,130,574	$40,715,000	$39,715,000
Financing:			
Comparative transfers to other accounts	230,653		
Unobligated balance no longer available	278,773		
New obligational authority	40,640,000	40,715,000	39,715,000
New obligational authority:			
Appropriation	$41,200,000	$40,715,000	$39,715,000
Transferred to "Salaries and expenses," Forest Service (71 Stat. 180)	−560,000		
Appropriation (adjusted)	40,640,000	40,715,000	39,715,000

Acreage allotment and marketing quota programs are designed to keep the production and marketing of basic commodities in line with demand in order to give each farmer a fair share of the available market and the total production required.

Acreage allotments, when necessary, are established at National, State, and county levels (only at State level in the case of tobacco). In general, the acreage allotted to any county is apportioned by farmer-elected county committeemen. National marketing quotas must be proclaimed whenever the total supply for the basic commodities, except corn, reaches a level specified in the Agricultural Adjustment Act of 1938 as amended. However, quotas do not become effective unless approved by two-thirds of those voting in a farmer referendum.

Acreage allotments and marketing quotas have been announced for the 1958 crops of flue-cured tobacco, peanuts, wheat, cotton, and rice, and acreage allotments will be in effect on the 1958 crop of corn. Acreage allotments and marketing quotas will be proclaimed for the other kinds of quota tobaccos not later than February 1, 1958. With respect to corn, however, legislation will be proposed to repeal the provisions of the Agricultural Adjustment Act of 1938, relating to acreage allotments on corn beginning with the 1959 crop. A savings of $2,300,000 would result from the passage of such legislation.

Work in fiscal years 1958 and 1959 will consist primarily of the following:

	Tobacco	*Peanuts*	*Wheat*	*Cotton*	*Corn*	*Rice*
Collecting and compiling basic data, establishing acreage allotments, and preparing and issuing allotment notices and marketing cards, fiscal years 1958 and 1959 (estimated number of allotment farms)	595,000	118,525	1,570,250	965,100	1,767,600	20,925
Measuring and computing acreages (percent of farms measured):						
Fiscal year 1958:						
1957 crop	51.1	53.1	3.1	41.6	27.0	76.1
1958 crop	48.9	46.9	96.9	58.4	38.0	23.9
Fiscal year 1959:						
1958 crop	51.1	53.1	3.1	41.6	27.0	76.1
1959 crop	48.9	46.9	96.9	58.4	25.0	23.9
Holding local referendums (number):						
Fiscal year 1958	118	-------	2,493	1,092	---------	157
Fiscal year 1959	773	-------	2,493	1,092	---------	157

Object Classification

		1957 actual	1958 estimate	1959 estimate
06	Printing and reproduction	$256,327	$270,000	$270,000
07	Other contractual services:			
	Advanced to—			
	"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	5,712,347	6,380,100	6,380,100
	"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	34,161,900	34,064,900	33,064,900
	Total obligations	40,130,574	40,715,000	39,715,000

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101–[1160), $67,662,500]*1161), $76,000,000,* to remain available until June 30 of the next succeeding fiscal year: *Provided,* That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed $2,124,500. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$67,662,500** Estimate 1959, **$76,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments to sugar producers:			
(*a*) Continental beet area	$31,708,270	$33,622,302	$35,550,698
(*b*) Continental cane area	7,330,695	8,745,600	8,882,250
(*c*) Offshore cane area	26,599,035	23,170,098	29,442,552
2. Operating expense	1,962,000	2,124,500	2,124,500
Total obligations	67,600,000	67,662,500	76,000,000
Financing:			
Appropriation (new obligational authority)	67,600,000	67,662,500	76,000,000

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The Service establishes quotas to provide consumers with adequate supplies of sugar at reasonable prices, to protect the domestic sugar industry and to promote export trade for the five domestic sugar producing areas, the Philippines, Cuba, and other foreign countries. The quota for each domestic area is allotted to individual sellers when necessary to achieve orderly marketing, and restrictive farm acreage allotments are established for producers when necessary to avoid surpluses.

1. *Payments to sugar producers.*—Payments are made (*a*) to domestic producers of cane and beets who meet specified conditions of employment, production, and price; and (*b*) for abandonment of planted acreage and crop deficiencies on harvested acreages due to natural calamities.

The increase in appropriation is required primarily to place on a current basis all mandatory payments, with the exception of a portion of the 1958–59 Puerto Rico crop.

Estimated production by areas is shown in the following table:

[Short tons, raw value]

Area	*1956 crop year*	*1957 crop year*	*1958 crop year*
Continental beet area	1,971,000	2,165,000	2,025,000
Continental cane area	557,000	640,000	650,000
Hawaii	1,099,500	1,100,000	1,175,000
Puerto Rico	990,500	1,200,000	1,300,000
Virgin Islands	12,900	15,100	10,000
Total	4,630,900	5,120,100	5,160,000

2. *Operating expenses.*—These consist of the expenses of (*a*) the Agricultural Stabilization and Conservation State and county offices in establishing production controls, determining compliance, and making payments to producers; and (*b*) the Service's departmental work in determining sugar consumption requirements, establishing quotas and allotments, making fair wage and price determinations, establishing production controls where necessary, and formulating overall policies and procedures.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	$1,270,000	$1,382,518	$1,382,518
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	692,000	741,982	741,982
11 Grants, subsidies, and contributions	65,638,000	65,538,000	73,875,500
Total obligations	67,600,000	67,662,500	76,000,000

[SPECIAL COMMODITY DISPOSAL PROGRAMS]

[To reimburse the Commodity Credit Corporation for authorized costs (including interest through June 30, 1957), as follows: (1) $92,930,611 under the International Wheat Agreement Act of 1949, as amended (7 U. S. C. 1641–1642); (2) $94,483,518 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U. S. C. 1703, 1721–1724); and (3) $637,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U. S. C. 1701–1709).] (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$824,414,129**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. International Wheat Agreement	$101,130,155	$92,930,611	
2. Emergency famine relief to friendly peoples	88,628,927	94,483,518	
3. Sales of surplus agricultural commodities for foreign currencies	67,477,228	637,000,000	
4. Transfer of hay and pasture seeds	$183,945		
Total obligations	257,420,255	$824,414,129	
Financing:			
Unobligated balance no longer available	733		
Appropriation (new obligational authority)	257,420,988	824,414,129	

The funds and facilities of the Commodity Credit Corporation are utilized to carry out surplus-disposal programs outside of the regular functions of the Corporation. Reimbursement to the Corporation is authorized for its cost incurred in carrying out the program.

1. *International Wheat Agreement.*—This agreement, which was renewed effective August 1, 1956, operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries, at stable and equitable prices.

The maximum and minimum prices in the 1956 agreement are $2 and $1.50, respectively, for the basic grade of wheat, No. 1 Manitoba Northern, at the same basing point as in the prior agreement, Fort William/Port Arthur, Canada. The agreement total quantity represents about 31% of world trade in wheat, yet the 6 exporting member countries export inside and outside the agreement about 90% of all wheat moving in world trade.

Capital funds of Commodity Credit Corporation and Commodity Credit Corporation stocks of wheat were used to pay during 1957 (*a*) the difference between the selling prices, prevailing under the agreement and the domestic market price of wheat, and (*b*) administrative and interest costs. The estimate, proposed for later transmission, of $89,996,331 (including interest through recovery date), provides for reimbursing the Corporation for costs incurred in 1957 when 106,633,323 bushels of wheat and wheat flour were exported under the agreement. Since September 4, 1956, the payment of the differential between the prevailing sales price of wheat under the agreement and the market price has been paid to the exporter in Commodity Credit Corporation stocks of wheat rather than in cash. A cash payment for this differential was continued for flour.

It is estimated that 128 million bushels of wheat at a cost to the Corporation of $112,672,000 will be exported under this program during each of the fiscal years 1958 and 1959. Reimbursement for these costs will be requested in later budgets.

The following table shows, by major cost elements, Commodity Credit Corporation costs of International Wheat Agreement program operations for the years 1955 through 1959, and the composition of the appropriations to reimburse the Corporation therefor:

INTERNATIONAL WHEAT AGREEMENT

[In millions]

	1955	*1956*	*1957*	*1958*	*1959*	*Total*
Fiscal year 1955:						
Program expense	$98.7	------	------	------	------	$98.7
Interest expense	.5	------	------	------	------	.5
Total expense, 1955	99.2	------	------	------	------	99.2
Fiscal year 1956:						
Program expense	------	$89.8	------	------	------	89.8
Interest expense	1.8	.6	------	------	------	2.4
Total expense, 1956	1.8	90.4	------	------	------	92.2
Appropriation, 1957	−101.0	−.1	------	------	------	−101.1

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COMMODITY STABILIZATION SERVICE—Continued

Current authorizations—Continued

[SPECIAL COMMODITY DISPOSAL PROGRAMS]—Continued

INTERNATIONAL WHEAT AGREEMENT—continued

[In millions]

	1955	1956	1957	1958	1959	Total
Fiscal year 1957:						
Program expense	------	------	$86.5	------	------	$86.5
Interest expense	------	$2.6	.9	------	------	3.5
Total expense, 1957	------	2.6	87.4	------	------	90.0
Appropriation, 1958	------	−92.9	------	------	------	−92.9
Fiscal year 1958:						
Program expense	------	------	------	$106.5	------	106.5
Interest expense	------	------	2.5	2.1	------	4.6
Total expense, 1958	------	------	2.5	108.6	------	111.1
Appropriation, 1958 supplemental (est.)	------	------	−89.9	------	------	−89.9
Fiscal year 1959:						
Program expense	------	------	------	------	$106.5	106.5
Interest expense	------	------	------	4.1	2.1	6.2
Total expense, 1959	------	------	------	4.1	108.6	112.7
Fiscal year 1960:						
Program expense	------	------	------	------	------	------
Interest expense	------	------	------	------	4.1	4.1
Total expense, 1960	------	------	------	------	4.1	4.1
Appropriations, 1960 and 1961 (estimates)	------	------	------	−112.7	−112.7	------

2. *Emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through June 30, 1958, is directed, under title II of Public Law 480, to make its stocks of agricultural commodities available for emergency assistance to friendly peoples in meeting famine or other urgent relief requirements and to pay ocean freight charges for the shipment of donated commodities. Through June 30, 1957, commitments undertaken under this authority totaled $360 million. Of this amount the value of commodities authorized for shipment totaled $326 million, of which over two-thirds or $225 million was for grain including rice. Actual commodity and freight costs incurred through June 30, 1957, were $298 million. During each of the fiscal years 1958 and 1959, commodity and freight costs of $100 million are expected to be incurred under the program. Estimated costs in 1959 and subsequent years are pursuant to authorizations issued prior to June 30, 1958.

Appropriations are authorized for a maximum of $800 million to reimburse the Corporation for its costs in carrying out the program. The estimate proposed for later transmission, $125,761,388, provides such reimbursement for operations during 1957 (including interest to date of reimbursement).

The following table shows, by major cost elements, Commodity Credit Corporation costs of this program for the years 1955 through 1959, and the composition of the appropriations to reimburse the Corporation therefor.

EMERGENCY FAMINE RELIEF TO FRIENDLY PEOPLES

[In millions]

	1955	1956	1957	1958	1959	Total
Fiscal year 1955:						
Program expense	$86.6	------	------	------	------	$86.6
Interest expense	.3	------	------	------	------	.3
Total expense, 1955	86.9	------	------	------	------	86.9
Fiscal year 1956:						
Program expense	------	$91.3	------	------	------	91.3
Interest expense	1.6	.7	------	------	------	2.3
Total expense, 1956	1.6	92.0	------	------	------	93.6
Appropriation, 1957	−88.5	−.1	------	------	------	−88.6

EMERGENCY FAMINE RELIEF TO FRIENDLY PEOPLES—continued

[In millions]

	1955	1956	1957	1958	1959	Total
Fiscal year 1957:						
Program expense	------	------	$120.4	------	------	$120.4
Interest expense	------	$2.7	1.8	------	------	4.5
Total expense, 1957	------	2.7	122.2	------	------	124.9
Fiscal year 1958:						
Program expense	------	------	------	$100.0	------	100.0
Interest expense	------	−.1	3.6	1.9	------	5.4
Total expense, 1958	------	−.1	3.6	101.9	------	105.4
Fiscal year 1959:						
Program expense	------	------	------	------	$100.0	100.0
Interest expense	------	------	------	3.9	1.9	5.8
Total expense, 1959	------	------	------	3.9	101.9	105.8
Fiscal year 1960:						
Program expense	------	------	------	------	------	------
Interest expense	------	------	------	------	3.9	3.9
Total expense, 1960	------	------	------	------	3.9	3.9
Appropriation, 1958, 1958 supplemental (estimate) 1960 and 1961 (estimates)	------	−94.5	−125.8	−105.8	−105.8	------

It is estimated that total costs under this program, including interest, will approximate $516.6 million by June 30, 1959, and the following table reflects the costs incurred by Commodity Credit Corporation by years in carrying out this program:

Fiscal year	Program expense	Interest	Total
1955	$86,623,135	$273,329	$86,896,464
1956	91,277,033	2,307,966	93,584,999
1957	120,429,754	4,460,886	124,890,640
1958 (estimate)	100,000,000	5,438,730	105,438,730
1959 (estimate)	100,000,000	5,812,000	105,812,000
Cumulative totals	498,329,922	18,292,911	516,622,833

3. *Sales of surplus agricultural commodities for foreign currencies.*—Surplus agricultural commodities are sold for foreign currencies. These currencies may then be used by departments and agencies for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of United States obligations, military family housing, international education exchange, and loans for multilateral trade and economic development. If appropriations are available for the purpose for which foreign currencies are used, the agency must buy the currency for dollars which are used to reimburse the Commodity Credit Corporation. Through June 30, 1957, agreements had been signed with 34 countries for commodities representing an export market value of $1,869.5 million. The major commodities included were wheat, cotton, and vegetable oils which together amounted to 77% of the total value of the agreements. Through that date commodities with an export market value of about $1,400 million had been shipped.

The act authorizes appropriations of not to exceed $4 billion to reimburse the Corporation for its net costs in carrying out this program. The estimate of $1,290,841,000 proposed for later transmission, covers unreimbursed costs of operations through 1957 (including interest through date of reimbursement) amounting to $1,406,518,291 less $115,677,291, representing the dollar equivalent of various foreign currencies received for agricultural commodities exported as of June 30, 1957, for which the Corporation may eventually be reimbursed in dollars. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1957, amounted to $1,411,557,718.

The following table shows, by major cost elements, Commodity Credit Corporation costs of this program for 1955 through 1959 and the composition of appropriations to reimburse the Corporation therefor. Estimated costs

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in 1959 and subsequent years are pursuant to authorizations issued prior to June 30, 1958:

SALES OF SURPLUS AGRICULTURAL COMMODITIES FOR FOREIGN CURRENCIES

[In millions]

	1955	1956	1957	1958	1959	Total
Fiscal year 1955:						
Program expense	$129.2	-------	-------	-------	------	$129.2
Interest expense	.3	-------	-------	-------	------	.3
Total expense, 1955	129.5	-------	-------	-------	------	129.5
Fiscal year 1956:						
Program expense	------	$617.0	-------	-------	------	617.0
Interest expense	2.4	4.8	-------	-------	------	7.2
Sales of foreign currencies	------	−9.5	-------	-------	------	−9.5
Net expense, 1956	2.4	612.3	-------	-------	------	614.7
Reimbursement in dollars in future years	−64.6	64.6	-------	-------	------	-------
Appropriation, 1957	−67.3	−.2	-------	-------	------	−67.5
Fiscal year 1957:						
Program expense	------	-------	$1,362.0	-------	------	1,362.0
Interest expense	1.9	17.8	14.7	-------	------	34.4
Sales of foreign currencies	------	−1.3	−57.2	-------	------	−58.5
Net expense, 1957	1.9	16.5	1,319.5	-------	------	1,337.9
Reimbursement in dollars in future years	------	−66.3	58.3	-------	------	−8.0
Provision for loss on currencies	------	8.0	-------	-------	------	8.0
Appropriation, 1958	−1.9	−634.9	−.2	-------	------	−637.0
Fiscal year 1958:						
Program expense	------	-------	-------	$1,250.0	------	1,250.0
Interest expense	------	-------	36.5	24.2	------	60.7
Sales of foreign currencies	------	-------	−7.6	−64.8	------	−72.4
Net expense, 1958	------	-------	28.9	1,209.4	------	1,238.3
Reimbursement in dollars in future years	------	-------	−124.7	115.7	------	−9.0
Provision for loss on currencies	------	-------	9.0	-------	------	9.0
Supplemental appropriation (estimate), 1958	------	-------	−1,290.8	-------	------	−1,290.8
Fiscal year 1959:						
Program expense	------	-------	-------	-------	$900.0	900.0
Interest expense	------	-------	-------	44.3	17.4	61.7
Sales of foreign currencies	------	-------	-------	-------	−81.6	−81.6
Net expense, 1959	------	-------	-------	44.3	835.8	880.1
Reimbursement in dollars in future years	------	-------	-------	−188.2	182.7	xxx
Provision for loss on currencies	------	-------	-------	5.5	------	xxx
Appropriation (estimate), 1960	------	-------	-------	−1,186.7	------	xxx
Fiscal year 1960:						
Interest expense	------	-------	-------	-------	28.9	xxx
Reimbursement in dollars in future years	------	-------	-------	-------	−279.6	xxx
Provision for loss on currencies	------	-------	-------	-------	6.5	xxx
Appropriation (estimate), 1961	------	-------	-------	-------	−774.3	xxx

It is estimated that total costs incurred under this program, including interest, will amount to $1,310,674,000 in 1958, and $961,706,000 in 1959, for which reimbursement will be requested in subsequent years. Total costs incurred in carrying out this program through June 30, 1959, are estimated to be $4,422,500,365, and the following table reflects the net costs incurred by Commodity Credit Corporation by years:

Fiscal year	Program expense	Interest	Total
1955	$129,164,632	$355,528	$129,520,160
1956	616,963,458	7,263,254	624,226,712
1957	1,361,973,711	34,399,782	1,396,373,493
1958 (estimate)	1,250,000,000	60,674,000	1,310,674,000
1959 (estimate)	900,000,000	61,706,000	961,706,000
Total	4,258,101,801	164,398,564	4,422,500,365
Deduct:			
Sales of currencies	222,050,000	xxx	222,050,000
Due from Department of Defense—recoverable in subsequent years	83,845,396	xxx	83,845,396
Subtotal	305,895,396	xxx	305,895,396
Net Commodity Credit Corporation costs to be reimbursed by appropriation	3,952,206,405	164,398,564	[1] 4,116,604,969

[1] Estimates of activity beyond the budget year anticipate additional recoveries for sales of currencies and for use of currencies by the Department of Defense which will reduce the net costs below the authorized limitations.

SUMMARY

(*To June 30, 1959*)

Program costs	$4,258,101,801
Interest costs to June 30, 1959	164,398,564
Subtotal	4,422,500,365
Recoveries:	
Dollars	222,050,000
Due from Department of Defense—recoverable in subsequent years	83,845,396
Appropriations for costs through June 30, 1956	704,477,228
Supplemental 1958 appropriation proposed for later transmission for 1957 program costs	1,290,841,000
Unreimbursed costs June 30, 1959 (subsequent appropriations)	2,121,286,741

In addition to the foregoing, the following programs are also currently carried out by the Corporation.

(*a*) *Grain for migratory waterfowl feed.*—The Commodity Credit Corporation is directed to make available to the Secretary of the Interior through July 3, 1959, such grain acquired through price-support operations and certified by the Commodity Credit Corporation to be available for such purposes or undesirable for human consumption, as the Secretary of the Interior shall requisition.

Appropriations are authorized to reimburse Commodity Credit Corporation for its investment in the grain.

During 1957, 50 tons of Commodity Credit Corporation corn with an investment value of $4,609 was transferred under this program. It is estimated that 300 tons of grain will be transferred in 1958 and 1959 at a cost to Commodity Credit Corporation of about $27,000 per year. The estimate proposed for later transmission, $4,609, provides for reimbursement for operations during 1957.

The following table shows Commodity Credit Corporation costs of this program for 1957 through 1959.

GRAIN FOR MIGRATORY WATERFOWL FEED

	1957	1958	1959	Total
Fiscal year 1957: Program expense	$4,609	------	------	$4,609
Fiscal year 1958: Program expense	------	$27,250	------	27,250
Fiscal year 1959: Program expense	------	------	$27,550	27,550
Appropriation estimate: 1958 supplemental, 1960 and 1961	4,609	27,250	27,550	59,409

(*b*) *Transfer of bartered materials to supplemental stockpile.*—The Commodity Credit Corporation is directed under title II of the Agricultural Act of 1956 (7 U. S. C. 1856) to transfer strategic and critical materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile to the supplemental stockpile.

The Act authorizes appropriations to reimburse the Corporation for amounts equal to the value of materials transferred. The estimate proposed for later transmission, $218,946,145, provides for reimbursement for operations during 1957.

The following table shows Commodity Credit Corporation costs of this program for the years 1957 through 1959.

TRANSFER OF BARTERED MATERIALS TO THE SUPPLEMENTAL STOCKPILE

[In millions]

	1957	1958	1959	Total
Fiscal year 1957: Program expense	$217.3	------	------	$217.3
Fiscal year 1958: Program expense	1.6	$77.8	------	79.4
Fiscal year 1959: Program expense	------	------	$70.2	70.2
Appropriation estimate: 1958 supplemental, 1960 and 1961	218.9	77.8	70.2	366.9

Object Classification

	1957 actual	1958 estimate	1959 estimate
14 Interest	$7,405,176	$30,752,987	-------
Undistributed: Repayment of advances from Commodity Credit Corporation	250,015,079	793,661,142	-------
Total obligations	257,420,255	824,414,129	-------

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COMMODITY STABILIZATION SERVICE—Continued

Current authorizations—Continued

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Agricultural conservation program."
"School lunch program," Agricultural Marketing Service.
"Conservation reserve program," soil bank programs.
"Acreage reserve program," soil bank programs.
"Great Plains conservation program."
"Removal of surplus agricultural commodities."
"Disaster loans, etc., revolving fund."
"Salaries and expenses, civil defense functions of Federal agencies," Federal Civil Defense Administration.
"Mutual security," funds appropriated to the President.

Permanent authorizations:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

(Indefinite)

Appropriation 1958, **$29,671,679** Estimate 1959, **$30,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Reimbursement to Commodity Credit Corporation (total obligations)	$2,020,975	$29,671,679	$30,000,000
Financing:			
Appropriation (new obligational authority)	2,020,975	29,671,679	30,000,000

Under provisions of the National Wool Act of 1954, incentive payments are being used to encourage the annual domestic production of approximately 300 million pounds of shorn wool. Support of prices of wool and mohair is mandatory. Incentive payments are made to eligible producers on a percentage basis, reflecting the amount required to bring the national average received by all producers up to the announced incentive level. The incentive level shall not exceed 110% of parity.

COSTS OF THE NATIONAL WOOL ACT

	Fiscal year 1957, 1955 marketing year	*Fiscal year 1958, 1956 marketing year*	*Fiscal year 1959, 1957 marketing year*
Volume of marketings:			
Shorn wool—pounds	260,308,000	255,367,000	254,700,000
Unshorn lambs—hundredweight	9,917,000	11,127,000	11,315,000
Incentive payments:			
Per pound, shorn wool—cents	19.2	17.7	9.5
Per hundredweight, unshorn lambs—cents	77.0	71.0	38.0
Incentive payments:			
Shorn wool	$50,013,650	$45,200,000	$24,200,000
Unshorn lambs	$7,607,409	$7,900,000	$4,300,000
Total payments	$57,621,059	$53,100,000	$28,500,000
Administrative expenses	$2,100,889	$2,797,000	$2,797,000
Interest expense	$1,570,404	$2,994,000	$3,319,000
Total	$61,292,352	$58,891,000	$34,616,000

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70% of the accumulated totals, as of the same date, of the gross receipts from specific import duties collected on and after January 1, 1953, on wool and wool products. Actual and estimated payments compared with this limitation are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
70% of customs receipts on wool and wool products—cumulative from Jan. 1, 1953 (calendar years) (estimated)	$150,649,505	$182,649,505	$190,649,505
Cumulative incentive payments (fiscal years)	57,621,059	110,721,059	139,221,059
Balance of limitation available	93,028,446	71,928,446	51,428,446

Funds of the Commodity Credit Corporation are used to carry on the wool incentive program. A permanent appropriation is provided to reimburse the Corporation, but the yearly amount is limited to 70% of duties collected on wool during the preceding calendar year. Estimated costs and reimbursements to Commodity Credit Corporation during 1957, 1958, and 1959 are indicated in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Due at beginning of year	$2,020,975	$61,292,352	$90,511,673
Costs for year:			
Program	59,721,948	55,897,000	31,297,000
Interest	1,570,404	2,994,000	3,319,000
Total	61,292,352	58,891,000	34,616,000
Total due	63,313,327	120,183,352	125,127,673
Reimbursement to Commodity Credit Corporation	2,020,975	29,671,679	30,000,000
Due Commodity Credit Corporation at end of year	61,292,352	90,511,673	95,127,673

Object Classification

		1957 actual	1958 estimate	1959 estimate
14	Interest	$14,943	$1,570,404	$2,994,000
	Undistributed: Reimbursement to Commodity Credit Corporation	2,006,032	28,101,275	27,006,000
	Total obligations	2,020,975	29,671,679	30,000,000

Intragovernmental funds:

ADMINISTRATIVE EXPENSES, SEC. 392, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. National and State operating expenses	$18,555,105	$23,958,000	$23,918,000
2. Prior year advances returned	176,593	986,078	
Total obligations	18,731,698	24,944,078	23,918,000
Financing:			
Unobligated balance brought forward	176,593	986,078	
Advances and reimbursements from—			
"Agricultural conservation program"	4,091,215	4,483,595	4,483,595
"Acreage allotments and marketing quotas"	5,707,000	6,380,100	6,380,100
"Sugar Act program"	1,270,000	1,382,518	1,382,518
"Acreage reserve program"	2,775,000	4,231,000	4,231,000
"Conservation reserve program"	1,600,000	2,400,000	2,400,000
"Disaster loans, etc., revolving fund"	216,078	76,000	36,000
"Great Plains conservation program"		28,000	28,000
Other accounts	3,982,082	4,976,787	4,976,787
Unobligated balance carried forward	−986,078		
Unobligated balance no longer available	−100,192		
Total financing	18,731,698	24,944,078	23,918,000

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required for administrative expenses of the National and State offices are advanced to this account from several appropriations related to agricultural stabilization and conservation activities.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	2,940	3,333	3,368
	Full-time equivalent of all other positions	146	157	158
	Average number of all employees	2,627	3,216	3,223
	Number of employees at end of year	3,143	3,732	3,720
	Average GS grade and salary	5.6 $4,556	5.8 $4,635	5.8 $4,647
01	Personal services:			
	Permanent positions	$12,702,032	$15,708,458	$15,777,407
	Positions other than permanent	815,393	918,396	921,146
	Other personal services	122,047	148,961	129,987
	Total personal services	13,639,472	16,775,815	16,828,540
02	Travel	2,879,265	3,870,860	3,813,930
03	Transportation of things	104,431	131,950	128,400
04	Communication services	766,081	863,300	847,100
05	Rents and utility services	373,408	437,640	437,300

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
06	Printing and reproduction	$90,722	$82,990	$81,900
07	Other contractual services	120,905	115,440	112,900
	Services performed by other agencies	42,459	80,100	76,000
08	Supplies and materials	264,036	308,470	299,800
09	Equipment	227,700	221,680	208,900
11	Grants, subsidies, and contributions		1,005,615	1,020,000
13	Refunds, awards, and indemnities	193,648	1,014,398	27,900
15	Taxes and assessments	29,571	35,820	35,330
	Total obligations	18,731,698	24,944,078	23,918,000

Local Administration, Sec. 388, Agricultural Adjustment Act of 1938

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Local operating expenses	$128,647,803	$152,637,557	$128,689,267
2. Prior year advances returned	3,837,030	5,052,001	
Total obligations	132,484,833	157,689,558	128,689,267
Financing:			
Unobligated balance brought forward	3,837,030	5,052,001	
Advances and reimbursements from—			
"Agricultural conservation program"	19,716,385	19,564,385	19,564,385
"Acreage allotments and marketing quotas"	34,161,900	34,064,900	33,064,900
"Sugar act program"	692,000	741,982	741,982
"Commodity Credit Corporation fund" (storage and price support programs)	37,700,000	45,834,000	45,334,000
"Acreage reserve program"	27,000,000	29,919,000	8,419,000
"Conservation reserve program"	9,000,000	13,500,000	13,500,000
"Disaster loans, etc., revolving fund"	207,422	1,008,290	60,000
"Great Plains conservation program"		115,000	115,000
Other accounts	6,677,208	7,890,000	7,890,000
Unobligated balance carried forward	−5,052,001		
Unobligated balance no longer available	−1,455,111		
Total financing	132,484,833	157,689,558	128,689,267

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required by the county agricultural stabilization and conservation committees for carrying out the programs assigned to them are advanced to this account from the several appropriations available. Payments to county committees for their estimated expenses are deposited in the bank accounts of the committees. Expenses paid from this account are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Salaries	$91,815,165	$109,178,550	$89,554,842
Travel	7,089,613	8,530,063	6,943,762
All other expense	28,676,800	33,859,071	31,120,663
Total advances to committees	127,581,578	151,567,684	127,619,267
Other obligations	4,903,255	6,121,874	1,070,000
Total obligations	132,484,833	157,689,558	128,689,267

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	74	110	110
	Full-time equivalent of all other positions	1	3	3
	Average number of all employees	67	106	106
	Number of employees at end of year	68	110	110
	Average GS grade and salary	5.6 $4,556	5.8 $4,635	5.8 $4,647
01	Personal services:			
	Permanent positions	$280,037	$439,996	$439,996
	Positions other than permanent	2,455	8,670	8,670
	Other personal services	2,165	5,789	5,789
	Total personal services	284,657	454,455	454,455
02	Travel	7,151	9,200	9,200
03	Transportation of things	10,721	15,375	15,375
04	Communication services	2,821	3,100	3,100
05	Rents and utility services		75	75
06	Printing and reproduction	1,696	1,800	1,800
07	Other contractual services	562,784	355,813	355,813
08	Supplies and materials	165,638	180,165	179,107
09	Equipment	29,725	19,000	19,000
11	Grants, subsidies, and contributions	127,581,578	151,597,349	127,650,117
13	Refunds, awards, and indemnities	3,837,849	5,052,951	950
15	Taxes and assessments	213	275	275
	Total obligations	132,484,833	157,689,558	128,689,267

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Supply and foreign purchase program	$209,720	$265,000	$265,000
2. International Wheat Agreement	150,352	215,000	215,000
3. National Wool Act	132,589	288,000	288,000
4. Operation and maintenance, Department of the Air Force	84,747	65,000	
5. Sale of stockpile cotton		25,000	45,000
6. Miscellaneous services to other accounts		5,000	5,000
7. Prior year advances returned	2		
Total obligations	577,410	863,000	818,000
Financing:			
Unobligated balance brought forward	2		
Advances and reimbursements from other accounts	577,408	863,000	818,000
Total financing	577,410	863,000	818,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	96	122	113
	Average number of all employees	87	118	109
	Number of employees at end of year	57	92	94
	Average GS grade and salary	5.6 $4,556	5.8 $4,635	5.8 $4,647
01	Personal services:			
	Permanent positions	$453,819	$638,945	$600,475
	Other personal services	13,863	17,700	17,725
	Total personal services	467,682	656,645	618,200
02	Travel	18,317	30,800	32,200
03	Transportation of things	937	3,600	4,000
04	Communication services	15,311	21,800	22,000
05	Rents and utility services	15,344	31,500	31,600
06	Printing and reproduction	11,444	36,600	36,500
07	Other contractual services	16,276	13,100	8,300
	Services performed by other agencies	15,114	10,700	10,700
08	Supplies and materials	10,963	11,200	9,600
09	Equipment	2,597	4,000	3,800
11	Grants, subsidies, and contributions		40,000	38,200
13	Refunds, awards, and indemnities	3,088	2,500	2,300
15	Taxes and assessments	337	555	600
	Total obligations	577,410	863,000	818,000

Proposed for later transmission:

Acreage Allotments and Marketing Quotas

Proposed legislative reduction, 1959.—Legislation will be proposed which will place corn in the same category with respect to acreage allotments as the other feed grains are now. Thus, acreage allotments would no longer be mandatory for corn and would reduce the need for obligating authority for acreage allotment and marketing quota work by $2.3 million and expenditures by $2.2 million in 1959.

Reimbursement to Commodity Credit Corporation, Special Commodity Disposal Programs

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. International Wheat Agreement		$89,996,331	
2. Emergency famine relief to friendly peoples		125,761,388	
3. Sales of surplus agricultural commodities for foreign currencies		1,290,841,000	
4. Grain for migratory waterfowl feed		4,609	
5. Transfer of bartered materials to supplemental stockpile		218,946,145	
Total obligations		1,725,549,473	
Financing:			
Proposed supplemental appropriation		1,725,549,473	

Under existing legislation, 1958.—The funds and facilities of the Commodity Credit Corporation are utilized to carry out surplus disposal programs outside of the regular functions of the Corporation. Reimbursement to the

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COMMODITY STABILIZATION SERVICE—Continued

Proposed for later transmission—Continued

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, SPECIAL COMMODITY DISPOSAL PROGRAMS—Continued

Corporation is authorized for its costs incurred in carrying out the programs. A proposed supplemental for 1958 in the amount of $1,725,549,473 is anticipated to reimburse the Commodity Credit Corporation for authorized 1957 costs under the following special commodity disposal programs:

International Wheat Agreement (7 U. S. C. 1641–1642).
Emergency famine relief to friendly peoples (7 U. S. C. 1703, 1721–1724).
Sales of surplus agricultural commodities for foreign currencies (7 U. S. C. 1701–1709).
Grain for migratory waterfowl feed (7 U. S. C. 442–446).
Transfer of bartered materials to supplemental stockpile (7 U. S. C. 1856).

CORPORATIONS AND AGENCIES

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1958] *1959* for such corporation or agency, except as hereinafter provided: (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

COMMODITY CREDIT CORPORATION

Current authorizations:

RESTORATION OF CAPITAL IMPAIRMENT

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, [1956] *1957*, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U. S. C. 713a–1), [$1,239,788,671] *$1,760,399,886*. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$1,239,788,671** Estimate 1959, **$1,760,399,886**

Public enterprise and intragovernmental funds:

COMMODITY CREDIT CORPORATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Public enterprise transactions:			
1. Price support program (Commodity Credit Corporation nonrecourse loan, purchase, and payment programs):			
Direct loans made	$538,081,925	$432,751,250	$513,709,000
Loans made by lending agencies (guaranteed by Commodity Credit Corporation)	1,898,838,960	1,775,000,000	1,787,000,000
Total loans on commodities	2,436,920,885	2,207,751,250	2,300,709,000
Purchases of commodities and other costs	1,453,274,938	1,499,302,128	1,265,491,614
Special milk program	61,031,421	75,000,000	
National Wool Act, incentive payments and other costs	53,292,352	59,991,000	10,016,000
Transfer of bartered commodities to supplemental stockpile	217,343,077	79,363,068	70,245,000
Use of proceeds from sales of commodities for procurement of military housing in France (subject to reimbursement from Department of Defense)	456,750	24,543,250	25,000,000
Other expense	3,326,109	1,432,235	1,115,235
Total price support program	4,225,645,532	3,947,382,931	3,672,576,849

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Public enterprise transactions—Con.			
2. Supply and foreign purchase program:			
Purchases of commodities and other costs	$3,265,325	$535,097	$773,850
Other expense	15,351		
Total supply and foreign purchase program	3,280,676	535,097	773,850
3. Storage facilities program:			
Loans made on storage facilities and equipment:			
Direct loans made	6,430,212	7,504,461	6,460,000
Loans made by lending agencies (guaranteed by Commodity Credit Corporation)	1,112,712	1,324,000	1,140,000
Approved commitments to make loans	843,008	170,410	
Total loans on storage facilities and equipment	8,385,932	8,998,871	7,600,000
Purchases of storage facilities and equipment	15,252,452	32,500,000	30,000,000
Other expense	178,849	250,000	175,000
Total storage facilities program	23,817,233	41,748,871	37,775,000
4. Commodity export program:			
Purchases of commodities and other costs	39,966	11,750	11,750
Cotton products export payments	17,521,034	18,253,014	17,500,000
Wheat and wheat flour equalization payments	110,593,784	81,766,895	76,900,000
Total commodity export program	128,154,784	100,031,659	94,411,750
5. Undistributed:			
Administrative:			
Subject to limitation	29,631,197	34,684,000	33,573,000
Reimbursable	492,656	798,000	818,000
Purchases of administrative equipment	379,889	500,000	500,000
Interest—Treasury	337,612,168	455,000,000	430,000,000
Nonadministrative	10,012,215	12,530,000	11,865,000
Other obligations	39,908	468,506	
Total undistributed	378,168,033	503,980,506	476,756,000
Total public enterprise transactions	4,759,066,258	4,593,679,064	4,282,293,449
Intragovernmental transactions (special activities):			
Loan to Secretary of Agriculture for agricultural conservation purposes	36,500,000	39,000,000	20,000,000
Eradication of vesicular exanthema	1,405,371	1,291,822	1,071,700
Eradication of brucellosis in cattle	17,656,070	17,930,551	674,250
Cotton classing and tobacco grading	1,347,845	1,930,500	1,758,135
International Wheat Agreement costs	80,746,863	112,272,770	112,672,000
Agricultural Trade Development and Assistance Act:			
Title I—Sales for foreign currencies:			
Cost of commodities and other expenditures	1,386,629,011	1,294,613,208	911,586,000
Receivable from Defense Department for construction of military housing	14,161,719	46,333,677	23,350,000
Title II—Commodity grants for emergency assistance to friendly peoples	124,890,640	105,438,730	105,812,000
Soil bank program interest expense	6,760,228	15,716,791	
Grain for migratory waterfowl feed	4,609	27,250	27,550
Transfer of long-staple cotton from national stockpile for sale by CCC		1,040,000	2,600,000
Total intragovernmental transactions	1,670,102,356	1,635,595,299	1,179,551,635
Total program (obligations)	6,429,168,614	6,229,274,363	5,461,845,084
Financing:			
Amounts becoming available:			
Appropriation	929,287,178	1,239,788,671	1,760,399,886
Authorization to expend from public debt receipts:			
Increase in borrowing authority	2,500,000,000		
Transfer of authorization to finance soil bank programs	−564,260,963		
Proposed for later transmission—transfer of authorization to reimburse Commodity Credit Corporation for soil bank costs of prior years		545,020,080	
Adjusted authorizations	1,935,739,037	545,020,080	
Unobligated balance transferred from "Soil bank programs"		19,240,883	

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Amounts becoming available—Con.			
Revenue and receipts:			
Public enterprise transactions:			
1. Price support program (Commodity Credit Corporation nonrecourse loan, purchase, and payment programs):			
Repayments of loans:			
To Commodity Credit Corporation	$509,491,930	$557,888,393	$559,481,910
To lending agencies	155,688,035	136,000,000	127,000,000
Total repayments of loans	665,179,965	693,888,393	686,481,910
Loans transferred to accounts receivable	4,354,590		
Sales of commodities [1]	2,713,751,685	2,329,013,061	1,977,284,244
National Wool Act reimbursements	2,020,975	29,671,679	30,000,000
Reimbursement for transfer of bartered materials to supplemental stockpile—proposed for later transmission		218,946,145	
Recovery of prior year obligations	206,834,835	210,821,300	204,940,000
Other	23,148,059	14,444,527	12,733,319
Total price support program	3,615,290,109	3,496,785,105	2,911,439,473
2. Supply and foreign purchase program	14,838,195	750,529	936,350
3. Storage facilities program:			
Repayments of loans:			
To Commodity Credit Corporation	11,339,077	13,162,369	8,035,000
To lending agencies	2,448,787	2,207,631	1,415,000
Total repayments of loans	13,787,864	15,370,000	9,450,000
Recovery of prior year obligations			163,000
Loans transferred to accounts receivable	52,064	55,000	27,000
Total storage facilities program	13,839,928	15,425,000	9,640,000
4. Commodity export program:			
Sales of commodities [2]	−65,759,180	−2,100,000	−11,200,000
Other	4,626		
Total commodity export program	−65,754,554	−2,100,000	−11,200,000
5. Undistributed:			
Interest income, administrative expense reimbursements and other	64,128,718	100,930,000	88,790,000
Recovery of prior year obligations	1,684,388	40,880	940,000
Total undistributed	65,813,106	100,970,880	89,730,000
Total public enterprise transactions	3,644,026,784	3,611,831,514	3,000,545,823
Intragovernmental transactions (special activities):			
Repayment of loan to Secretary of Agriculture for conservation purposes	49,450,000	15,200,000	24,800,000
Reimbursements for prior year costs:			
Eradication of vesicular exanthema:			
Current authorization	1,267,786	1,853,450	
Proposed for later transmission		1,393,490	
Eradication of brucellosis in cattle:			
Current authorization	12,059,756	16,841,028	
Proposed for later transmission		17,548,923	
Cotton classing and tobacco grading:			
Current authorization	466,926	330,528	
Proposed for later transmission		1,139,982	
Transfer of hay and pasture seed to Federal land-administering agencies	183,945		
International Wheat Agreement:			
Current authorization	101,130,155	92,930,611	
Proposed for later transmission		89,996,331	

[1] Sales under the price support program include (1) the value of transfers of strategic and critical materials acquired under barter contracts to the national and the supplemental stockpiles and (2) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

[2] Negative figures result from adjustment to sales to eliminate the market value of agricultural commodities transferred from the price support program.

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Amounts becoming available—Con.			
Revenues and receipts—Continued			
Intragovernmental transactions (special activities)—Continued			
Reimbursements for prior year costs—Continued			
Agricultural Trade Development and Assistance Act:			
Title I—Sales for foreign currencies:			
From appropriated funds:			
Current authorization	$67,477,228	$637,000,000	
Proposed for later transmission		1,290,841,000	
By sale of foreign currencies for dollars	58,488,284	72,378,224	$81,650,000
Transfer to receivable from Defense Department for construction of military housing	14,161,719	46,333,677	23,350,000
Title II—Commodity grants for emergency assistance to friendly peoples:			
Current authorization	88,628,927	94,483,518	
Proposed for later transmission		125,761,388	
Soil bank programs:			
Reimbursements:			
Current authorization	3,758,533		
Proposed for later transmission		22,479,920	
Recovery of prior year obligations	4,000,000		
Grain for migratory waterfowl feed: Proposed for later transmission		4,609	
Transfer of long staple cotton from national stockpile for sale by CCC (net proceeds)		1,040,000	2,600,000
Total intragovernmental transactions	401,073,259	2,527,556,679	132,400,000
Total amounts becoming available	6,910,126,258	7,943,437,827	4,893,345,709
Unobligated balance brought forward (authorization to expend from public debt receipts)	−163,990,731	316,966,913	2,031,130,377
Total amounts available	6,746,135,527	8,260,404,740	6,924,476,086
Unobligated balance carried forward (authorization to expend from public debt receipts)	−316,966,913	−2,031,130,377	−1,462,631,002
Financing applied to program	6,429,168,614	6,229,274,363	5,461,845,084

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of $100 million held by the United States, and authority to borrow up to $14.5 billion.

Programs.—The budget is based on five types of programs: (1) price support, (2) supply and foreign purchase, (3) storage facilities, (4) commodity export, and (5) special activities.

Obligations and expenditures for these programs include primarily loans, purchases, purchase agreements, carrying charges, incentive payments, operating and interest expenses, and advances and current obligations incident to special activities as authorized by specific legislation.

Budget assumptions.—The Corporation's budget estimates for 1958 and 1959 are based on the general assumptions (*a*) that employment, production, and national income will rise moderately both in 1958 and 1959 from the

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise and intragovernmental funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

present level; (*b*) that prices will change little, on the average, from the present level; (*c*) that developments in international relations will not be such as to affect Government civilian programs generally; (*d*) that exports of agricultural products generally will be slightly lower than during 1957; (*e*) that acreage allotments and marketing quotas will be in effect for the 1958 crops of peanuts, rice, wheat, cotton, and certain kinds of tobacco, and acreage allotments will be in effect for the 1958 crop of corn, in accordance with existing legislation; (*f*) that substantial acreages of applicable 1958 crops will be placed under the soil bank program and base acreages established for each participating farm will restrict planting of other crops on acreage placed under the program; (*g*) that yields for the 1958 crops will equal the high yield of the past 3 years; and (*h*) that the percentage of estimated production of the 1958 crop placed under price support will equal the average percentage of the production of the 1954 through 1956 crops actually placed under price support. Wheat, grain sorghums, and soybeans are exceptions to the latter two assumptions. Changes in the Corporation's wheat export program, providing for the sale of wheat for export from free markets rather than from Commodity Credit Corporation stocks, are expected to result in lower proportions of that commodity being placed under support. The estimates of grain sorghums and soybeans reflect the current outlook for yields and quantities being placed under support.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1959. They are dependent upon weather conditions, volume of agricultural production in this country and abroad, economic conditions generally, food needs in occupied areas and other foreign countries, availability of dollar exchange, and other complex and unpredictable factors.

Price support.—Price-support operations are carried out under the Corporation's charter powers (15 U. S. C. 714), in conformity with the Agricultural Act of 1949 (7 U. S. C. 1421), the Agricultural Act of 1954 (7 U. S. C. 1741), which includes the National Wool Act of 1954, and the Agricultural Act of 1956 (7 U. S. C. 1442, 1380f), and with respect to certain types of tobacco, in conformity with the act of July 28, 1945 (7 U. S. C. 1312 note). Under the Agricultural Act of 1949, price support is mandatory for six basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities, namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1959. Price support for other nonbasic agricultural commodities is discretionary. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producer's commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are "nonrecourse" and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

In all its price-support operations the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other private lending agencies. Commercial storage facilities are used to a great extent in the storage of loan collateral and in the storage of stocks acquired by the Corporation.

Disposition of commodities acquired by the Corporation in its price-support operations is made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1691), title I of the Agricultural Act of 1954, and title II of the Agricultural Act of 1956. Reimbursement for strategic and critical materials acquired in the Corporation's barter activities which are transferred under title II of the 1956 Act to the supplemental stockpile is obtained by appropriations authorized by such Act. This is described under the heading "Reimbursement to Commodity Credit Corporation, special commodity disposal programs," Commodity Stabilization Service. To the extent that price-support commodities are disposed of through commodity export program and special activities, such as sales for foreign currencies, redemptions of acreage-reserve certificates under the soil-bank program by furnishing Commodity Credit Corporation commodities, and similar operations, such disposals are for accounting purposes treated as price-support program disposals.

DATA ON PRICE-SUPPORT PROGRAM

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Loans made	$2,437	$2,208	$2,301
Loans repaid	665	694	686
Loan collateral forfeited	2,090	1,976	1,669
Loans outstanding June 30	1,967	1,504	1,450
Acquisitions	3,712	3,572	3,025
Cost of goods sold	3,755	3,157	2,880
Donations	453	418	437
Inventory as of June 30	5,371	5,269	4,880
Investment in price-support as of June 30	7,338	6,773	6,330
Net expenditures	869	610	789
Realized losses	1,299	1,122	1,182

Supply and foreign purchase program.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies, and to meet domestic requirements. Foods, agricultural commodities, and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements during periods of short supply. The Corporation may also, through purchases, loans, sales or other means, make available materials and facilities required in connection with the production and marketing of agricultural commodities.

Operations involving procurement for other Government agencies are conducted in accordance with procedures and policies reasonably calculated to assure compliance with section 4 of the act of July 16, 1943 (15 U. S. C. 713a–9), which requires that the Corporation be fully reimbursed for services performed, losses sustained,

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operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency. Operations not subject to section 4 of such act may involve losses if such are necessary to the accomplishment of the objectives of the particular operation.

The main activities now carried on are procurement of commodities for the International Cooperation Administration, and initial financing of certain programs authorized under the Defense Production Act to assure adequate supplies of strategic and critical materials.

Storage facilities program.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 4 (h), 4 (m), and 5 (a). The Corporation (a) purchases and maintains granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) makes loans for the construction or expansion of farm storage facilities; (c) provides storage-use guaranties to encourage the construction of commercial storage facilities; and (d) undertakes other operations necessary to provide storage adequate to carry out the Corporation's programs.

Commodity export program.—The Corporation promotes the export of agricultural commodities and products through sales, barters, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (d) and 5 (f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949, the International Wheat Agreement Act of 1949 (7 U. S. C. 1641), the Agricultural Trade Development and Assistance Act of 1954, title I of the Agricultural Act of 1954 and title II of the Agricultural Act of 1956. In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance Act of 1954. However, other such transactions may be conducted under the charter authority.

Current obligations under the International Wheat Agreement and title I of the Agricultural Trade Development and Assistance Act of 1954, which operations are described in the estimates under the heading "Reimbursements to Commodity Credit Corporation, special commodity disposal programs," Commodity Stabilization Service, are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose. Pending such reimbursements the net costs are reflected in the records of the Corporation as accounts receivable.

Currently, in addition to the exports under the International Wheat Agreement, Commodity Credit Corporation wheat is available for export trade under barter programs of Commodity Credit Corporation at competitive world prices and is also made available to exporters in payment of the price differential between the prevailing world export sales price and the domestic market price which is earned on exports of free-market wheat outside the International Wheat Agreement and under this agreement. Cash payments are made on all exports of wheat flour either under the International Wheat Agreement or outside the agreement.

Since August 1, 1956, the Corporation has conducted a cotton products export program designed to protect the competitive position of the domestic cotton industry in relation to sales of cotton products manufactured abroad from American cotton purchased at export prices. Equalization payments, based on the raw cotton content in the products exported, are made to exporters on cotton products of upland cotton grown and wholly processed in the United States.

The Corporation also furnishes agricultural commodities and products for distribution or exhibition at international trade fairs to aid in the development of foreign markets for such commodities.

Expenses.—There are a number of expenses which are not allocated to a specific program. These include interest on the capital stock of the Corporation and on borrowings from Treasury, administrative expenses, and other miscellaneous costs, including expenses of the agricultural stabilization and conservation county committees, lending agencies, and Federal Reserve banks in connection with the Corporation's programs.

Administrative expenses are for the operating staff, including the services of employees of the Commodity Stabilization Service engaged in Commodity Credit Corporation activities, services performed by other agencies of the Department, costs of audit, and payments to the General Services Administration for space in the District of Columbia.

Estimates for 1959 include a limitation of $36,100,000 for costs of administration including a reserve of not less than 7% for contingencies.

The requested authorization excludes administrative expenses in connection with the supply and foreign purchase program, the wool and mohair price-support program under the National Wool Act of 1954, and the sale of long staple cotton transferred from the national stockpile, since it is contemplated that full reimbursement will be received for these expenses. Such reimbursement will be obtained and used in 1959 in the same manner as in previous years.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition (including inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors) of property which the Corporation owns or in which it has an interest have been treated as program rather than administrative expenses since 1951.

Similarly, expenses of other Federal agencies whose services are utilized in the handling of Commodity Credit Corporation property are treated as program expenses. Such expenses would include the fleet storage operation of the Maritime Administration conducted intermittently since 1949 and the services rendered by the General Services Administration in connection with the strategic, critical, and other materials acquired by the Corporation.

Special activities.—These are intragovernmental transactions and other miscellaneous activities carried out under authority of section 5 (g) of the Corporation's charter and specific statutory authorizations or directives with respect thereto which are currently in effect or which may be subsequently enacted.

Illustrative of current intragovernmental transactions are loans to the Secretary of Agriculture in connection with the agricultural conservation program as authorized by section 391 (c) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1391) and advances to the Agricultural Marketing Service for grading tobacco and classing cotton as authorized by the acts of June 29, 1949, and August 31, 1951 (7 U. S. C. 440, 414a). Current obligations for such transactions are paid by the Corporation and appropriations have been authorized to reimburse the Corporation for its costs. Pending such reimbursements the net costs of such transactions are

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise and intragovernmental funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

reflected in the records of the Corporation as receivables.

In addition, pursuant to section 120 of the Agricultural Act of 1956 (7 U. S. C. 1808) the Secretary of Agriculture utilizes the services and facilities of the Corporation for carrying out the soil-bank program.

A more detailed description of the operations under these special activities may be found in the budget under appropriations pertaining to the Agricultural Conservation Program Service, the Agricultural Research Service, the Agricultural Marketing Service, the Commodity Stabilization Service, and the soil-bank programs.

Public Law 85–96, approved July 10, 1957 (71 Stat. 290), authorizes the transfer of 50,000 bales of long-staple cotton from the national stockpile to the Corporation for sale. Proceeds less costs incurred, including administrative expenses, will be covered into the Treasury as miscellaneous receipts.

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guaranties to purchase loans held by lending agencies, restoration of capital impairment, and receipts from operations.

Borrowing authority.—The Corporation has an authorized capital stock of $100,000,000, held by the United States, and authority to borrow up to $14,500,000,000.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies when the Corporation desires to utilize such agencies in carrying out a particular program or financing operation. All bonds, notes, debentures and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938 (15 U. S. C. 713a–4). Interest on borrowings from the Treasury (and on capital stock) is paid in accordance with a policy of the Treasury Department that the rate shall be based upon the average interest rate on all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. In connection with loan guaranties, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all loans and other obligations held by lending agencies.

Pursuant to section 120 of the Agricultural Act of 1956 (70 Stat. 197) the Secretary of Agriculture utilized the funds of the Corporation to finance the soil bank program through June 30, 1957. A supplemental appropriation to reimburse the Corporation for funds used under this program, as well as for 1957 costs of the special commodity disposal programs, is proposed for later transmission.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently do not indicate a need for additional borrowing authority. However, subsequent developments in program or financing activities could result in the necessity for an increase.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Statutory borrowing authority	$14,500	$14,500	$14,500
Deduct: Statutory obligations outstanding:			
Borrowings from Treasury:			
For transfer to soil bank program	564	-------	-------
Other	12,819	11,822	12,342
Subtotal	13,383	11,822	12,342
Obligations to purchase loans held by lending agencies (guaranteed by Commodity Credit Corporation)	360	208	242
Total statutory obligations outstanding	13,743	12,030	12,584
Net statutory borrowing authority available	757	2,470	1,916

Restoration of capital impairment.—Pursuant to the act of March 8, 1938, as amended (15 U. S. C. 713a–1), an appraisal of the assets and liabilities of the Corporation is made each year by the Secretary of the Treasury to determine the net worth. If the net worth is less than $100 million, the Secretary of the Treasury restores the amount of capital impairment; if net worth is more than $100 million the Corporation pays the surplus to the Treasury (15 U. S. C. 713a–2). The appraisal of assets is on the basis of cost to the Corporation. The capital impairment, therefore, represents realized losses. The realized losses reflected on the books of the Corporation for 1957 were $1,760,399,886, for which restoration is included in the 1959 estimates.

Receipts from operations.—These include proceeds from sales of commodities, loan repayments, interest income, advances, reimbursements for special activities financed by the Corporation and miscellaneous income, refunds, and collections.

Loan and inventory operations and realized losses.—The schedule on pages 344–347 shows for 1957, 1958, and 1959 the actual and estimated loan and inventory operations and realized losses, by programs and commodities.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Public enterprise transactions:			
Price support program:			
Acquisition of loans	$2,505,814,809	$2,222,876,941	$2,139,969,000
Expense:			
Purchases of commodities and other costs	1,272,089,774	1,297,425,828	1,127,905,614
Costs for increasing consumption of fluid milk in schools	61,031,421	75,000,000	----------
National Wool Act: Payments and other costs	61,292,352	58,891,000	34,616,000
Transfer of bartered commodities to supplemental stockpile	217,343,077	79,363,068	70,245,000
Value of foreign currencies used by Defense Department for military housing	456,750	24,543,250	25,000,000
Other expense	3,326,109	1,432,235	1,115,235
Supply and foreign purchase program:			
Expense:			
Purchases of commodities and other costs	3,265,325	535,097	773,850
Other expense	15,351	----------	----------
Storage facilities program:			
Acquisition of loans	6,547,546	7,650,461	6,585,000
Purchases of storage facilities and equipment	30,792,282	32,500,000	30,000,000
Expense: Other	178,849	250,000	175,000
Commodity export program:			
Expense:			
Export payments	81,634,727	94,400,000	94,400,000
Purchases of commodities and other costs	39,966	11,750	11,750

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Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied)—Con.			
Public enterprise transactions—Con.			
Undistributed expenditures:			
Acquisition of administrative equipment	$379,889	$500,000	$500,000
Expense:			
Administrative:			
Subject to limitation	29,631,197	34,684,000	33,573,000
Reimbursable	492,656	798,000	818,000
Interest expense: Treasury	337,612,168	455,000,000	430,000,000
Nonadministrative expense	10,012,215	12,530,000	11,865,000
Increase in selected working capital	76,383,779		
Total public enterprise transactions	4,698,340,242	4,398,391,630	4,007,552,449
Intragovernmental transactions:			
Loan to Secretary of Agriculture for Agricultural conservation purposes: Acquisition of loans	36,500,000	39,000,000	20,000,000
Eradication of vesicular exanthema disease: Transfers and other costs	1,405,371	1,291,822	1,071,700
Eradication of brucellosis in cattle: Transfers and other costs	17,656,070	17,930,551	674,250
Cotton classing and tobacco grading: Transfers and other costs	1,347,845	1,930,500	1,758,135
International Wheat Agreement costs	90,071,366	111,062,052	112,672,000
Commodity grants for emergency assistance to friendly peoples: Public Law 480, title II	124,890,640	105,438,730	105,812,000
Sales for foreign currencies, Public Law 480, Title I:			
Cost of commodities and other expense	1,396,373,493	1,310,674,000	961,706,000
Receivable from Defense Department for construction of military housing	14,161,719	46,333,677	23,350,000
Soil bank program:			
Interest expense	[1] 6,760,228	[1] 15,716,791	
Increase in selected working capital		170,212,665	
Grain for migratory waterfowl feed	4,609	27,250	27,550
Transfer of long staple cotton from national stockpile for sale by Commodity Credit Corporation		1,040,000	2,600,000
Total intragovernmental transactions	1,689,171,341	1,820,658,038	1,229,671,635
Total gross expenditures	6,387,511,583	6,219,049,668	5,237,224,084
Receipts from operations (funds provided):			
Public enterprise transactions:			
Price support program:			
Loans repaid	509,491,930	557,888,393	559,481,910
Loans transferred to accounts receivable	4,354,590		
Sales of commodities [2]	2,713,751,685	2,329,013,061	1,977,284,244
National Wool Act reimbursement	2,020,975	29,671,679	30,000,000
Reimbursement for transfer of bartered materials to supplemental stockpile—proposed for later transmission		218,946,145	
Other revenue	23,148,059	14,444,527	12,733,319
Supply and foreign purchase program: Sales and other revenue	14,838,195	750,529	936,350
Storage facilities program:			
Loans repaid	11,339,077	13,162,369	8,035,000
Loans transferred to accounts receivable	52,064	55,000	27,000
Commodity export program:			
Sales of commodities	147,385,634	4,860,000	24,320,000
Less adjustment to eliminate market value of commodities transferred from price support program	213,144,814	6,960,000	35,520,000
Net sales of commodities	−65,759,180	−2,100,000	−11,200,000
Other revenue	4,626		
Undistributed receipts:			
Proceeds from sale of administrative equipment	9,715	10,000	10,000
Interest income and other revenue	63,624,721	100,122,000	87,962,000
Administrative expense reimbursements	494,282	798,000	818,000
Decrease in selected working capital		180,348,688	153,981,000
Total public enterprise transactions	3,277,370,739	3,443,110,391	2,820,068,823
Intragovernmental transactions:			
Loan to Secretary of Agriculture for agricultural conservation purposes: Loans repaid	49,450,000	15,200,000	24,800,000
Revenue: Reimbursements for prior year costs:			
Eradication of vesicular exanthema disease:			
Current authorization	1,267,786	1,853,450	
Proposed for later transmission		1,393,490	

[1] Excludes nonexpenditure transfer of funds for the soil bank programs of $564,260,963 in 1957 and return of funds of $3,758,533 in 1957 and $19,240,883 in 1958.

[2] Sales under the price support program include (1) the value of transfers of strategic and critical materials acquired under barter contracts to the national and the supplemental stockpiles and (2) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided)—Continued			
Intragovernmental transactions—Con.			
Revenue: Reimbursements for prior year costs—Continued			
Eradication of brucellosis in cattle:			
Current authorization	$12,059,756	$16,841,028	
Proposed for later transmission		17,548,923	
Cotton classing and tobacco grading:			
Current authorization	466,926	330,528	
Proposed for later transmission		1,139,982	
Transfer of hay and pasture seed to Federal land-administering agencies	183,945		
International Wheat Agreement:			
Current authorization	101,130,155	92,930,611	
Proposed for later transmission		89,996,331	
Commodity grants for emergency assistance to friendly peoples: Public Law 480, title II:			
Current authorization	88,628,927	94,483,518	
Proposed for later transmission		125,761,388	
Sales for foreign currencies, Public Law 480, title I:			
From appropriated funds:			
Current authorization	67,477,228	637,000,000	
Proposed for later transmission		1,290,841,000	
By sales of foreign currencies for dollars	58,488,284	72,378,224	$81,650,000
Transfer to receivable from Defense Department for construction of military housing	14,161,719	46,333,677	23,350,000
Soil bank program:			
Reimbursements:			
Current authorization	3,758,533		
Proposed for later transmission		22,479,920	
Change in selected working capital	170,264,673		
Grain for migratory waterfowl feed:			
Proposed for later transmission		4,609	
Transfer of long-staple cotton from national stockpile for sale by CCC (net proceeds)		1,040,000	2,600,000
Total intragovernmental transactions	567,337,932	2,527,556,679	132,400,000
Total receipts from operations	3,844,708,671	5,970,667,070	2,952,468,823
Budget expenditures:			
Public enterprise transactions:			
Current authorizations:			
Gross budget expenditures	4,698,340,242	4,398,391,630	4,007,552,449
Receipts from operations	3,277,370,739	3,224,164,246	2,820,068,823
Net current authorizations	1,420,969,503	1,174,227,384	1,187,483,626
Proposed for later transmission: Receipts from operations		218,946,145	
Total public enterprise transactions	1,420,969,503	955,281,239	1,187,483,626
Intragovernmental transactions:			
Current authorizations:			
Gross expenditures	1,689,171,341	1,820,658,038	1,229,671,635
Advances and reimbursements	567,337,932	978,391,036	132,400,000
Net current authorizations	1,121,833,409	842,267,002	1,097,271,635
Proposed for later transmission: Reimbursements		1,549,165,643	
Total intragovernmental transactions	1,121,833,409	−706,898,641	1,097,271,635
Net budget expenditures	2,542,802,912	248,382,598	2,284,755,261

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Price support program (Commodity Credit Corporation nonrecourse loan, purchase and payment programs):			
Realized loss:			
Revenue	$2,974,296,816	$2,534,331,969	$2,106,281,944
Expense	4,273,774,158	3,656,657,798	3,288,561,500
Net realized loss (−)	−1,299,477,342	−1,122,325,829	−1,182,279,556
Increase (−) or decrease in allowance for losses	−184,174,535	505,910,439	−10,504,000
Net operating loss (−), price support program	−1,483,651,877	−616,415,390	−1,192,783,556
Supply and foreign purchase program:			
Revenue	14,838,195	750,529	936,350
Expense	14,153,236	708,282	863,350
Net operating income, supply and foreign purchase program	684,959	42,247	73,000

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise and intragovernmental funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Storage facilities program: [1] Expense: Net operating loss (−), storage facilities program	−$178,849	−$250,000	−$175,000
Commodity export program:			
Revenue	147,390,260	4,860,000	24,320,000
Expense	294,819,507	101,371,750	129,931,750
Net operating income or loss (−), commodity export program	−147,429,247	−96,511,750	−105,611,750
Adjustment for interprogram sales: [2]			
Revenue	−213,144,814	−6,960,000	−35,520,000
Expense	−213,144,814	−6,960,000	−35,520,000
Net gain or loss (−) from adjustment for interprogram sales			
Undistributed income and expense:			
Realized loss:			
Revenue	64,128,718	100,930,000	88,790,000
Expense	378,128,125	503,512,000	476,756,000
Net realized loss (−)	−313,999,407	−402,582,000	−387,966,000
Increase (−) or decrease in allowance for losses	1,684,388	−468,506	650,000
Net loss (−), other income and expense	−312,315,019	−403,050,506	−387,316,000
Net loss (−) for the year:			
Realized loss [3]	−1,760,399,886	−1,621,627,332	−1,675,959,306
Increase (−) or decrease in allowance for losses	−182,490,147	505,441,933	−9,854,000
Net loss (−) for the year	−1,942,890,033	−1,116,185,399	−1,685,813,306
Analysis of deficit (−):			
Deficit (−), beginning of year	−4,698,997,635	−5,712,600,490	−5,588,997,218
Appropriation for restoration of capital impairment	929,287,178	1,239,788,671	1,760,399,886
Deficit (−), end of year	−5,712,600,490	−5,588,997,218	−5,514,410,638

[1] Operation and maintenance costs applicable to owned structures are reflected as carrying charges on the commodities stored.
[2] Adjustment to eliminate the market value of agricultural commodities transferred from the price-support program to the commodity export program.
[3] Amounts recovered or to be recovered from appropriations for special activities authorized by the Congress are not reflected as losses.

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury and in banks	$44,682,341	$39,349,377	$34,994,002
Accounts receivable, net	418,732,251	266,700,000	140,639,000
Deferred and undistributed charges	91,451,138	42,500,000	43,000,000
Commodities for sale, net	3,152,533,909	3,267,818,967	2,905,161,537
Loans receivable, net	1,532,531,536	1,353,069,696	1,284,454,500
Amounts recoverable from subsequent appropriations	3,300,443,726	1,749,450,951	2,951,383,586
Land, structures, and equipment, net	164,978,791	184,283,791	199,236,737
Total assets	8,705,353,692	6,903,172,782	7,558,869,362
Liabilities:			
Obligation to purchase loans held by lending agencies	360,455,322	208,300,000	241,640,000
Other current liabilities	574,498,860	361,870,000	389,640,000
Total liabilities	934,954,182	570,170,000	631,280,000

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Government investment:			
Interest-bearing capital:			
Borrowings from Treasury, start of year	$11,190,000,000	$13,383,000,000	$11,822,000,000
Borrowings from Treasury during year, net	2,193,000,000	−1,561,000,000	520,000,000
End of year	13,383,000,000	11,822,000,000	12,342,000,000
Capital stock	100,000,000	100,000,000	100,000,000
Deficit (−)	−5,712,600,490	−5,588,997,218	−5,514,410,638
Total Government investment	7,770,399,510	6,333,002,782	6,927,589,362

NOTE.—In addition to obligations other than liabilities reflected in the "Status of certain fund balances," the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established and the outstanding guaranty and occupancy agreements for storage space.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$29,459,038	$44,682,341	$39,349,377	$34,994,002
Budget authorizations:				
Authorization to borrow from Treasury	12,000,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Deduct borrowings from Treasury:				
For transfer to soil bank programs	3,758,533	564,260,963		
Other	11,186,241,467	12,818,739,037	11,822,000,000	12,342,000,000
Subtotal	11,190,000,000	13,383,000,000	11,822,000,000	12,342,000,000
Total budget authorizations	810,000,000	1,117,000,000	2,678,000,000	2,158,000,000
Total unexpended balance	839,459,038	1,161,682,341	2,717,349,377	2,192,994,002
Obligated balance, net:				
Obligations to purchase loans held by banks	586,490,690	360,455,322	208,300,000	241,640,000
Other current liabilities	329,928,233	574,498,860	361,870,000	389,640,000
Obligations other than liabilities:				
Purchase agreements, letters of commitment, etc	365,740,747	318,517,658	316,474,000	198,710,000
Other commitments	78,715,367	101,426,977	108,775,000	84,012,000
Current assets (−), net	−357,425,268	−510,183,389	−309,200,000	−183,639,000
Total obligated balance	1,003,449,769	844,715,428	686,219,000	730,363,000
Unobligated balance [1]	−163,990,731	316,966,913	2,031,130,377	1,462,631,002

[1] Statutory obligations include only borrowings from Treasury and obligations to purchase loans held by banks; other obligations, contingent liabilities and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in loans held by banks.

COMMODITY CREDIT CORPORATION FUND—*Loan and inventory operations and realized losses*

[Fiscal years 1957 actual; 1958 and 1959 estimate]

Program, commodity, and fiscal year	Loan operations					Inventory operations				Memorandum: Realized gain or loss (−)
	Loans outstanding at beginning of year	New loans made	Repayments	Collateral acquired and writeoffs	Loans outstanding at end of year	Beginning inventory	Acquisitions	Dispositions [1]	Ending inventory	
PRICE SUPPORT PROGRAM										
Basic commodities:										
Corn:										
1957	$654,224,733	$578,456,011	$25,954,006	$496,427,398	$710,299,340	$1,245,557,358	$780,228,822	$548,337,460	$1,477,448,720	−$247,092,987
1958	710,299,340	360,500,000	43,793,000	567,856,340	459,150,000	1,477,448,720	994,845,033	765,320,000	1,706,973,753	−293,090,000
1959	459,150,000	461,800,000	45,320,000	369,630,000	506,000,000	1,706,973,753	774,447,247	715,100,000	1,766,321,000	−313,150,000
Cornmeal:										
1957							21,866,439	21,317,274	549,165	−21,289,246
1958						549,165	27,348,587	27,897,752		−27,875,652
1959							27,441,794	27,441,794		−27,419,994

See footnotes at end of table, p. 347.

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COMMODITY CREDIT CORPORATION FUND—*Loan and inventory operations and realized losses*—Continued

Program, commodity, and fiscal year	Loan operations					Inventory operations				Memorandum: Realized gain or loss (—)
	Loans outstanding at beginning of year	New loans made	Repayments	Collateral acquired and writeoffs	Loans outstanding at end of year	Beginning inventory	Acquisitions	Dispositions [1]	Ending inventory	
PRICE SUPPORT PROGRAM—con.										
Basic commodities—Continued										
Cotton:										
Extra long staple:										
1957	$1,133,315	$250,551	$973,366	$268,468	$142,032	$14,618,687	$356,904	$14,551,232	$424,359	—$2,095,604
1958	142,032	12,000,000	3,029,025	113,007	9,000,000	424,359	126,641	188,000	363,000	—48,000
1959	9,000,000	11,700,000	3,000,000	9,000,000	8,700,000	363,000	9,285,800	1,525,000	8,123,800	—125,000
Upland:										
1957	977,751,279	780,626,399	166,885,208	989,026,324	602,466,146	1,249,813,240	1,045,201,841	1,427,950,012	867,065,069	—418,359,455
1958	602,466,146	630,000,000	140,224,951	588,241,195	504,000,000	867,065,069	618,086,931	1,105,000,000	380,152,000	—163,655,235
1959	504,000,000	606,000,000	164,000,000	490,000,000	456,000,000	380,152,000	522,230,000	808,632,000	93,750,000	—168,937,235
Peanuts:										
1957	9,897,571	39,637,168	7,092,613	36,499,798	5,942,328	4,044,928	62,788,961	52,193,168	14,640,721	—16,829,485
1958	5,942,328	33,900,000	11,503,280	28,339,048	----------	14,640,721	34,037,339	36,952,060	11,726,000	—20,137,476
1959	----------	25,600,000	4,200,000	21,400,000	----------	11,726,000	25,618,000	21,614,000	15,730,000	—12,014,000
Rice:										
Milled:										
1957	----------	----------	----------	----------	----------	125,968,016	139,515,882	251,705,578	13,778,320	—65,948,860
1958	----------	----------	----------	----------	----------	13,778,320	89,085,599	102,863,919	----------	—11,569,696
Rough:										
1957	1,794,992	69,393,979	10,460,754	60,442,188	286,029	79,389,081	100,459,234	106,470,596	73,377,719	579,476
1958	286,029	42,480,000	14,160,000	28,370,029	236,000	73,377,719	46,335,925	63,083,644	56,630,000	664,039
1959	236,000	66,260,000	12,990,000	53,289,500	216,500	56,630,000	71,301,000	55,800,000	72,131,000	—20,100,000
Tobacco:										
1957	527,793,916	199,812,159	149,389,506	709,044	577,507,525	----------	----------	----------	----------	—70,262
1958	577,507,525	115,980,000	246,534,525	5,153,000	441,800,000	----------	----------	----------	----------	—4,445,600
1959	441,800,000	190,350,000	231,135,000	540,000	400,475,000	----------	----------	----------	----------	—57,300
Wheat:										
1957	90,054,990	439,242,593	192,007,208	309,423,238	27,867,137	2,535,599,696	579,584,069	855,328,391	2,259,855,374	—95,770,456
1958	27,867,137	380,780,000	101,303,500	285,563,637	21,780,000	2,259,855,374	532,611,626	565,090,000	2,227,377,000	—62,863,000
1959	21,780,000	338,200,000	91,000,000	249,400,000	19,580,000	2,227,377,000	472,243,000	720,380,000	1,979,240,000	—148,030,000
Wheat flour:										
1957	----------	----------	----------	----------	----------	----------	48,942,219	42,421,564	6,520,655	—39,831,240
1958	----------	----------	----------	----------	----------	6,520,655	60,347,724	66,868,379	----------	—63,193,156
1959	----------	----------	----------	----------	----------	----------	60,297,691	60,297,691	----------	—56,876,447
Total basic:										
1957	2,262,650,796	2,107,418,860	552,762,661	1,892,796,458	1,924,510,537	5,254,991,006	2,778,944,371	3,320,275,275	4,713,660,102	—906,708,119
1958	1,924,510,537	1,575,640,000	560,548,281	1,503,636,256	1,435,966,000	4,713,660,102	2,402,825,405	2,733,263,754	4,383,221,753	—646,213,776
1959	1,435,966,000	1,699,910,000	551,645,000	1,193,259,500	1,390,971,500	4,383,221,753	1,962,864,532	2,410,790,485	3,935,295,800	—746,709,976
Mandatory nonbasic commodities:										
Honey:										
1957	20,026	157,812	148,663	----------	29,175	----------	----------	----------	----------	868
1958	29,175	210,000	199,175	10,000	30,000	----------	32,000	32,000	----------	----------
1959	30,000	350,000	230,000	120,000	30,000	----------	224,000	224,000	----------	----------
Milk and butterfat:										
Butter:										
1957	----------	----------	----------	----------	----------	33,678,493	97,354,298	76,048,472	54,984,319	—24,090,761
1958	----------	----------	----------	----------	----------	54,984,319	97,300,000	113,384,319	38,900,000	—44,944,319
1959	----------	----------	----------	----------	----------	38,900,000	74,200,000	102,700,000	10,400,000	—81,930,000
Butter oil:										
1957	----------	----------	----------	----------	----------	1,434,270	198,798	1,528,449	104,619	—1,424,463
1958	----------	----------	----------	----------	----------	104,619	----------	104,619	----------	—104,619
Cheese:										
1957	----------	----------	----------	----------	----------	105,885,365	97,287,706	122,799,391	80,373,680	—77,945,245
1958	----------	----------	----------	----------	----------	80,373,680	98,025,500	129,599,180	48,800,000	—96,763,180
1959	----------	----------	----------	----------	----------	48,800,000	74,630,000	123,000,000	430,000	—113,015,000
Surplus fluid milk to Armed Forces and Administrator of Veterans Affairs:										
1957	----------	----------	----------	----------	----------	----------	16,355,891	16,355,891	----------	—16,355,891
1958	----------	----------	----------	----------	----------	----------	25,584,000	25,584,000	----------	—25,584,000
1959	----------	----------	----------	----------	----------	----------	12,792,000	12,792,000	----------	—12,792,000
To increase the consumption of fluid milk in schools:										
1957	----------	----------	----------	----------	----------	----------	----------	----------	----------	—56,571,734
1958	----------	----------	----------	----------	----------	----------	----------	----------	----------	—73,513,492
Milk, nonfat dry:										
1957	----------	----------	----------	----------	----------	32,012,610	141,432,857	143,890,521	29,554,946	—110,489,224
1958	----------	----------	----------	----------	----------	29,554,946	135,000,900	142,555,846	22,000,000	—117,955,846
1959	----------	----------	----------	----------	----------	22,000,000	112,100,000	127,200,000	6,900,000	—104,800,000
Whey: 1957	----------	----------	----------	----------	----------	----------	—5,577	—5,577	----------	—426

See footnotes at end of table, p. 347.

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COMMODITY CREDIT CORPORATION FUND—*Loan and inventory operations and realized losses*—Continued

Program, commodity, and fiscal year	Loan operations					Inventory operations				Memorandum: Realized gain or loss (−)
	Loans outstanding at beginning of year	New loans made	Repayments	Collateral acquired and writeoffs	Loans outstanding at end of year	Beginning inventory	Acquisitions	Dispositions [1]	Ending inventory	
PRICE SUPPORT PROGRAM—con.										
Mandatory nonbasic commodities—Continued										
Potatoes (liquidation): 1957										$16,498
Tung oil:										
1957		$4,427,682	$158,688		$4,268,994	$1,180,849	$16,113	$1,196,962		−206,086
1958	$4,268,994	5,535,000	1,528,994	$3,150,000	5,125,000		5,976,000	2,776,000	$3,200,000	
1959	5,125,000	4,100,000	3,895,000	1,435,000	3,895,000	3,200,000	1,633,000		4,833,000	
Wool (liquidation):										
1957						74,952,107	934,588	54,986,299	20,900,396	−9,136,895
1958						20,900,396	249,354	21,149,750		−6,113,550
Total mandatory nonbasic:										
1957	20,026	4,585,494	307,351		4,298,169	249,143,694	353,574,674	416,800,408	185,917,960	−296,203,359
1958	4,298,169	5,745,000	1,728,169	3,160,000	5,155,000	185,917,960	362,167,754	435,185,714	112,900,000	−364,979,006
1959	5,155,000	4,450,000	4,125,000	1,555,000	3,925,000	112,900,000	275,579,000	365,916,000	22,563,000	−312,537,000
Other nonbasic commodities:										
Barley:										
1957	8,690,539	62,105,082	14,414,992	44,434,950	11,945,679	69,403,618	90,543,066	77,502,914	82,443,770	−11,634,939
1958	11,945,679	95,000,000	9,891,669	85,654,010	11,400,000	82,443,770	134,207,018	97,410,788	119,240,000	−19,246,326
1959	11,400,000	76,700,000	10,450,000	66,250,000	11,400,000	119,240,000	113,860,000	98,500,000	134,600,000	−17,364,000
Beans, dry edible:										
1957	33,772	24,230,380	7,301,749	16,747,745	214,658	13,124,174	24,317,343	29,023,213	8,418,304	−13,823,587
1958	214,658	10,720,000	5,563,358	5,339,750	31,550	8,418,304	7,975,000	11,561,400	4,831,904	−5,371,400
1959	31,550	22,715,000	6,889,550	15,825,000	32,000	4,831,904	20,180,550	13,063,454	11,949,000	−6,538,454
Cottonseed and products:										
Cottonseed:										
1957		37,757	37,757							
1958		46,000	46,000							
1959		46,000	46,000							
Cottonseed oil:										
Crude: 1957										−2,946
Refined: 1957						506,314	112,776	619,090		−469,899
Cottonseed meal: 1957										6
Cotton linters:										
1957						17,511,719	412,532	15,835,295	2,088,956	−7,172,753
1958						2,088,956	11,644	2,100,600		−1,137,033
Flaxseed:										
1957	613,018	43,952,110	3,116,852	39,992,141	1,456,135	73,189	55,553,033	9,132,534	46,493,688	−2,540,660
1958	1,456,135	1,460,000	1,315,500	1,571,435	29,200	46,493,688	7,823,893	54,090,331	227,250	−16,359,616
1959	29,200	32,540,000	2,983,360	29,289,840	296,000	227,250	34,173,730	8,495,230	25,905,750	−2,155,030
Linseed oil: 1957						2,482	8,821	11,303		−922
Naval stores:										
Rosin:										
1957		154,690	3,812		150,878	21,096,154	223,722	1,977,688	19,342,188	−17,946
1958	150,878	3,400,000	1,002,878		2,548,000	19,342,188	196,812	3,683,000	15,856,000	−106,500
1959	2,548,000	7,000,000	6,000,000	1,548,000	2,000,000	15,856,000	1,731,000	3,938,000	13,649,000	−139,000
Turpentine:										
1957						1,077,773	28,108	773,873	332,008	−40,404
1958		212,000	212,000			332,008	12,992	153,000	192,000	−17,000
1959		530,000	530,000			192,000	6,000	198,000		−33,000
Oats:										
1957	11,125,817	23,249,438	16,497,310	11,960,696	5,917,249	47,348,465	26,471,481	51,269,433	22,550,513	−25,491,322
1958	5,917,249	27,890,250	9,364,130	18,463,369	5,980,000	22,550,513	28,998,338	41,188,851	10,360,000	−16,400,008
1959	5,980,000	30,400,000	9,620,000	23,160,000	3,600,000	10,360,000	31,780,000	22,950,000	19,190,000	−8,080,000
Rye:										
1957	670,105	3,074,993	168,682	3,346,086	230,330	16,224,040	9,408,874	19,477,905	6,155,009	−5,403,812
1958	230,330	7,198,000	297,085	6,541,245	590,000	6,155,009	10,108,501	9,513,510	6,750,000	−3,249,957
1959	590,000	7,418,000	413,000	7,005,000	590,000	6,750,000	11,761,000	10,651,000	7,860,000	−2,699,000
Seeds:										
Hay and pasture:										
1957						1,768,086	21,443	1,772,745	16,784	−1,688,656
1958						16,784	100	16,884		−16,566
Winter cover crop: 1957										−376
Sorghums, grain:										
1957	968,490	42,008,138	7,321,724	35,603,503	51,401	117,220,518	62,924,881	75,002,694	105,142,705	−27,453,042
1958	51,401	271,440,000	10,400,000	239,251,401	21,840,000	105,142,705	285,050,972	108,951,104	281,242,573	−39,606,104
1959	21,840,000	208,000,000	5,200,000	209,040,000	15,600,000	281,242,573	299,401,523	215,294,096	365,350,000	−74,594,096

See footnotes at end of table, p. 347.

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COMMODITY CREDIT CORPORATION FUND—*Loan and inventory operations and realized losses*—Continued

Program, commodity and fiscal year	Loan operations					Inventory operations				Memorandum: Realized gain or loss (−)
	Loans outstanding at beginning of year	New loans made	Repayments	Collateral acquired and writeoffs	Loans outstanding at end of year	Beginning inventory	Acquisitions	Dispositions [1]	Ending inventory	
PRICE SUPPORT PROGRAM—con.										
Other nonbasic commodities—Continued										
Soybeans:										
1957	$407,808	$126,103,943	$63,247,075	$45,210,661	$18,054,015	$63,805	$50,671,191	$15,569,101	$35,165,895	−$656,118
1958	18,054,015	209,000,000	93,519,323	112,634,692	20,900,000	35,165,895	125,651,938	62,267,833	98,550,000	−4,654,811
1959	20,900,000	211,000,000	88,580,000	122,220,000	21,100,000	98,550,000	140,680,000	97,460,000	141,770,000	−10,730,000
Total other nonbasic:										
1957	22,509,549	324,916,531	112,109,953	197,295,782	38,020,345	305,420,337	320,697,271	297,967,788	328,149,820	−96,397,376
1958	38,020,345	626,366,250	131,611,943	469,455,902	63,318,750	328,149,820	600,037,208	390,937,301	537,249,727	−106,165,321
1959	63,318,750	596,349,000	130,711,910	474,337,840	54,618,000	537,249,727	653,573,803	470,549,780	720,273,750	−122,332,580
Barter and exchange:										
1957						162,573,046	258,366,004	277,414,841	143,524,209	−168,488
1958						143,524,209	207,255,000	115,271,794	235,507,415	−4,967,726
1959						235,507,415	132,675,000	136,460,000	231,722,415	−700,000
Total price support program:										
1957	2,285,180,371	2,436,920,885	665,179,965	2,090,092,240	1,966,829,051	5,972,128,083	3,711,582,320	4,312,458,312	5,371,252,091	−1,299,477,342
1958	1,966,829,051	2,207,751,250	693,888,393	1,976,252,158	1,504,439,750	5,371,252,091	3,572,285,367	3,674,658,563	5,268,878,895	−1,122,325,829
1959	1,504,439,750	2,300,709,000	686,481,910	1,669,152,340	1,449,514,500	5,268,878,895	3,024,692,335	3,383,716,265	4,909,854,965	−1,182,279,556
SUPPLY AND FOREIGN PURCHASE PROGRAM										
1957						11,409,817	3,265,325	14,137,885	537,257	684,959
1958						537,257	535,097	708,282	364,072	42,247
1959						364,072	773,850	863,350	274,572	73,000
STORAGE FACILITIES PROGRAM [2]										
1957	33,821,899	7,542,924	13,787,864	99,474	27,477,485					−178,849
1958	27,477,485	8,828,461	15,370,000	160,000	20,775,946					−250,000
1959	20,775,946	7,600,000	9,450,000	79,946	18,846,000					−175,000
COMMODITY EXPORT PROGRAM										
1957							213,184,780	213,184,780		−147,429,247
1958							6,971,750	6,971,750		−96,511,750
1959							35,531,750	35,531,750		−105,611,750
OTHER INCOME AND EXPENSE										
1957										−313,999,407
1958										−402,582,000
1959										−387,966,000
ADJUSTMENT FOR INTERPROGRAM SALES [3]										
1957							−213,144,814	−213,144,814		
1958							−6,960,000	−6,960,000		
1959							−35,520,000	−35,520,000		
Total, all programs:										
1957	2,319,002,270	2,444,463,809	678,967,829	2,090,191,714	1,994,306,536	5,983,537,900	3,714,887,611	4,326,636,163	5,371,789,348	−1,760,399,886
1958	1,994,306,536	2,216,579,711	709,258,393	1,976,412,158	1,525,215,696	5,371,789,348	3,572,832,214	3,675,378,595	5,269,242,967	−1,621,627,332
1959	1,525,215,696	2,308,309,000	695,931,910	1,669,232,286	1,468,360,500	5,269,242,967	3,025,477,935	3,384,591,365	4,910,129,537	−1,675,959,306

[1] Sales under the price support program include (1) sales value of agricultural commodities delivered under barter contracts, (2) the value of transfers of strategic and critical materials acquired under such barter contracts to the national and the supplemental stockpiles and (3) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

[2] Operation and maintenance costs applicable to owned storage structures are reflected as carrying charges on the commodities stored.

[3] Adjustment to eliminate the market value of agricultural commodities transferred from the price support program to the commodity export program.

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise and intragovernmental funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, *COMMODITY CREDIT CORPORATION*

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed [$35,398,000] *$36,100,000* shall be available for administrative expenses of the Corporation [including uniforms, or allowances therefor, as authorized by the Act of September 1, 1954 (5 U. S. C. 2131), as amended]: *Provided further*, That $1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof. (*7 U. S. C. 442–446, 624, 1282, 1301, 1385, 1391c, 1421–1450, 1641–1642, 1741–1747, 1781–1787, 1808–1853; 15 U. S. C. 712a, 713a–1–10, 714–714p; 31 U. S. C. 841, 846–852, 866–868c, 869; 50 U. S. C. app. 1917; 71 Stat. 27, 290, 345, 556, 632–633; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Price support program	$27,639,019	$32,148,000	$31,037,000
2. Storage facilities program	1,327,908	1,625,000	1,625,000
3. Commodity export program	664,270	911,000	911,000
Total administrative expenses	29,631,197	34,684,000	33,573,000
Financing:			
Unobligated balance no longer available	3,368,803	714,000	2,527,000
Limitation	33,000,000	35,398,000	36,100,000

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	5,155		5,160		4,918	
Full-time equivalent of all other positions	6		9		9	
Average number of all employees	4,607		4,981		4,707	
Number of employees at end of year	4,484		4,742		4,600	
Average GS grade and salary	5.6	$4,556	5.8	$4,635	5.8	$4,647
01 Personal services:						
Permanent positions	$20,180,628		$21,728,243		$20,831,885	
Positions other than permanent	19,486		43,201		42,899	
Other personal services	676,822		717,256		649,896	
Total personal services	20,876,936		22,488,700		21,524,680	
02 Travel	885,026		920,000		1,098,000	
03 Transportation of things	168,922		169,000		159,000	
04 Communication services	723,378		743,000		744,000	
05 Rents and utility services	1,988,134		2,963,000		3,299,000	
06 Printing and reproduction	717,371		854,000		854,000	
07 Other contractual services	313,075		545,460		388,260	
Services performed by other agencies	3,439,270		4,083,540		3,650,240	
08 Supplies and materials	434,185		501,000		477,000	
11 Grants, subsidies, and contributions			1,312,000		1,283,000	
13 Refunds, awards, and indemnities	36,322		54,000		56,000	
15 Taxes and assessments	48,578		50,300		39,820	
Total obligations	29,631,197		34,684,000		33,573,000	

Proposed for later transmission:

Under proposed legislation, 1958 and 1959.—As indicated in the budget message, legislation will be proposed to extend the terminal date of title I of Public Law 480 to June 30, 1959, and increase the authorization from $4 billion to $5.5 billion. It is estimated that this increase of $1.5 billion in the authorization will result in net increased expenditures for the Commodity Credit Corporation of $28 million in 1958 and $95 million in 1959. It is further proposed to extend to June 30, 1959, title II of Public Law 480, which authorizes famine relief and other assistance to friendly peoples.

Under proposed legislation, 1959.—Legislation will be proposed to extend the special milk program for 2 years to June 30, 1960, with an annual authorization of $75 million. It is also proposed to extend the authority, which expires December 31, 1958, to make dairy products (including milk) available to veterans' institutions and to members of the Armed Forces. It is estimated that extension of these programs will result in additional expenditures by the Commodity Credit Corporation of $75 million in 1959.

FEDERAL CROP INSURANCE CORPORATION

Current authorizations:

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, $6,376,700. (*7 U. S. C. 1501–1519; 31 U. S. C. 841, 846–852, 866–868c, 869; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Appropriated 1958, **$6,376,700** Estimate 1959, **$6,376,700**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Underwriting and actuarial analysis	$673,849	$881,000	$857,000
2. Contract sales and servicing	4,823,164	4,840,700	4,815,700
3. Crop inspections and loss adjustments	712,987	655,000	704,000
Total obligations	6,210,000	6,376,700	6,376,700
Financing:			
Appropriation (new obligational authority)	6,210,000	6,376,700	6,376,700

This appropriation relates to a portion of the administrative and operating expenses of the Corporation. The budget for insurance operations and other costs financed from capital funds appears below.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	589		583		582	
Full-time equivalent of all other positions	219		282		277	
Average number of all employees	716		834		831	
Number of employees at end of year	1,250		1,414		1,436	
Average GS grade and salary	5.7	$4,639	5.7	$4,670	5.7	$4,760
01 Personal services:						
Permanent positions	$2,378,218		$2,638,206		$2,684,849	
Positions other than permanent	816,751		1,046,714		1,030,031	
Other personal services	799		9,540		9,780	
Total personal services	3,195,768		3,694,460		3,724,660	
02 Travel	886,760		1,062,500		1,063,200	
03 Transportation of things	10,386		35,000		20,800	
04 Communication services	139,397		192,000		192,000	
05 Rents and utility services	122,948		225,500		207,000	
06 Printing and reproduction	44,902		95,000		95,000	
07 Other contractual services	26,064		46,900		46,900	
Agents' commission	1,612,520		659,390		659,390	
Services performed by other agencies	60,300		57,550		57,550	
08 Supplies and materials	55,615		62,000		62,000	
09 Equipment	34,106		50,000		50,000	
11 Grants, subsidies, and contributions			166,700		169,000	
13 Refunds, awards, and indemnities	2,405		5,000		5,000	
15 Taxes and assessments	18,829		24,700		24,200	
Total obligations	6,210,000		6,376,700		6,376,700	

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Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

[Federal Crop Insurance Corporation: *Provided,* That not] *Not* to exceed $2,000,000 of administrative and operating expenses may be paid from premium income. *(7 U. S. C. 1516 (a); Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Indemnities, by crop:			
Barley	$39,333	$68,000	$281,000
Beans	118,194	113,000	119,000
Citrus	23,381	9,000	196,000
Corn	9,086,446	755,000	3,745,000
Cotton	1,137,016	678,000	1,436,000
Flax	346,625	1,243,000	582,000
Multiple crops	4,144,145	2,074,000	2,650,000
Peaches		22,000	37,000
Soybeans	33,517	37,000	652,000
Tobacco	618,078	550,000	1,848,000
Wheat	12,341,922	4,911,000	10,170,000
Total indemnities	27,888,657	10,460,000	21,716,000
Inspection and adjustment costs	913,224	850,000	940,000
Administrative expenses	45,488	2,000,000	2,000,000
Other expense	905,952	173,000	241,000
Total program (obligations)	29,753,321	13,483,000	24,897,000
Financing:			
Amounts becoming available:			
Subscription to capital stock	13,000,000		
Insurance premiums, by crop:			
Barley	101,698	190,000	312,000
Beans	123,637	106,200	132,000
Citrus	107,130	95,200	218,000
Corn	2,709,003	2,214,100	4,161,000
Cotton	1,693,060	1,087,800	1,596,000
Flax	646,621	514,000	647,000
Multiple crops	3,234,897	3,329,000	2,944,000
Peaches		37,400	41,000
Soybeans	45,100	49,900	725,000
Tobacco	2,176,429	1,625,100	2,053,000
Wheat	11,307,483	8,077,500	11,300,000
Total premiums	22,145,058	17,326,200	24,129,000
Interest and other income	780,177	120,000	100,000
Prior year adjustment	71,820		
Total amounts becoming available	35,997,055	17,446,200	24,229,000
Unobligated balance brought forward	15,294,401	21,538,135	25,501,335
Total amounts available	51,291,456	38,984,335	49,730,335
Unobligated balance carried forward	−21,538,135	−25,501,335	−24,833,335
Financing applied to program	29,753,321	13,483,000	24,897,000

Purpose and financial organization.—The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U. S. C. 1501–1519), to carry out the provisions of the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance. The Corporation provides all-risk insurance protection for the farmers' cost of producing crops against loss from unavoidable causes. Insurance programs since 1948 have been conducted on a limited basis in selected counties and on selected crops to obtain adequate actuarial data for the expansion of the program to a national basis.

Capital stock of $100 million is authorized to be subscribed by the United States. As of June 30, 1957, the Secretary of the Treasury held receipts for $40 million of the authorized stock, leaving $60 million unissued. Of the $40 million subscribed stock, $13 million was issued during fiscal year 1957, when Congress approved an appropriation in that amount because of the Corporation's need for additional capital funds.

Funds from the issuance of capital stock provide working capital for the Corporation. Receipts which are for deposit to this fund come mainly from premiums for insurance protection afforded farmers on their investment in the production of insured crops. The principal payments from this fund are for indemnities to farmers that suffer crop losses arising from causes against which crop insurance provides protection. In addition, the direct cost of adjusting losses and a limited amount of the administrative and operating expenses are payable from premium income.

Budget program.—The Corporation, operating on a limited experimental basis since 1948, will continue to offer insurance on the 1958 crops in selected counties, principally on wheat, multiple crops, tobacco, corn, and cotton. In addition, insurance on a limited basis will also be offered on barley, beans, citrus, flax, peaches, and soybeans.

The program planned for the 1958 crop year (fiscal year 1959) is a continuation of the efforts of the Corporation to increase premium income and spread the concentration of risk which exists in the major wheat-producing areas, which is urgently needed if a sound crop insurance program is to be developed. No net increase in participating counties is planned for the 1958 crop year; however, insurance will be offered on additional crops in some of the 818 counties where insurance is presently available.

The following table indicates the scope of the insurance program for the fiscal years shown:

	1957 fiscal year (1956 crop year) actual	*1958 fiscal year (1957 crop year) estimate*	*1959 fiscal year (1958 crop year) estimate*
Number of commodities insured	21	21	21
Number of counties	805	818	818
Estimated insurance outstanding ($1,000)	$307,000	$242,100	$334,000
Number of crops insured	[1] 324,949	318,401	365,000
Premiums ($1,000)	$22,145	$17,326	$24,129
Indemnities ($1,000)	$27,889	$10,460	$21,716
Loss ratio	1.26	0.60	0.90

[1] Contracts in force.

The 1956 crop year operating experience reflected in the budget statements and schedules for fiscal year 1957 shows an excess of indemnity payments over premiums of $5.7 million. Indemnity payments amounted to $27.9 million as compared to $22.1 million of premium income. A net loss of $6.4 million which occurred on corn as a result of drought primarily in Nebraska, Iowa, South Dakota, Kansas, and Missouri, was the principal cause of the 1956 crop year deficit. However, an additional loss of $1 million each was sustained on wheat and multiple crops, with the continuing drought being the main cause of loss. Premiums of $4.9 million from insurance protection offered on the barley, bean, citrus, cotton, flax, soybean, and tobacco programs exceeded indemnity payments of $2.3 million by $2.6 million.

Preliminary estimates for the 1957 crop year (fiscal year 1958) indicate that premiums on all crops except flax and beans will exceed indemnity payments, providing average growing conditions continue until the crops are harvested. Current estimated premiums of $17.3 million exceed estimated indemnity payments of $10.4 million by $6.9 million. The overall loss ratio is 0.60. Favorable experience on wheat, multiple crops, corn, and tobacco, which represents about 88% of the Corporation's insured liability, is primarily responsible for the surplus of premiums over indemnities.

Appropriations of up to $12 million for any fiscal year are authorized for operating and administrative expenses of the Corporation. These annual appropriations are presented elsewhere in the budget. For the fiscal year 1958, direct costs of loss adjusters, as well as operating and administrative expenses not to exceed $2 million, are being paid from premium income. No change in the

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FEDERAL CROP INSURANCE CORPORATION—Con.

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

method of financing these costs is proposed in the 1959 budget.

Financing.—No new budgetary authorization is required for the 1959 fiscal year since the estimated net profit of $4.0 million for the 1958 fiscal year will provide an increase in net capital from $21.5 million at the beginning of 1958 to $25.5 million at the beginning of 1959. Expenditures for the fiscal year 1957 were $7.4 million as compared to an estimated net receipt of $6.6 million in 1958. This is a net reduction of $14.0 million in expenditures between fiscal years 1957 and 1958. For fiscal year 1959, net expenditures are estimated at $0.5 million.

Operating results and financial condition.—Premium income for fiscal year 1959 is estimated at $24.1 million as compared to $17.3 million for 1958, and $22.1 million for 1957.

The net result of an estimated profit of $4.0 million for 1958 and a $0.6 million loss for 1959 is a decrease of $3.4 million in the deficit of $18.5 million at June 30, 1957. Adjustment of coverages and rates and limitation of program operations in areas where the drought has been most severe have been effected to eliminate losses which occurred during the past several years. It is anticipated that surpluses from operations in future years will eventually offset the current deficit.

The following table summarizes the insurance operations of the 1957, 1958, and 1959 fiscal years:

SUMMARY OF INSURANCE OPERATIONS—NET PROFIT OR LOSS (−) BY COMMODITIES

[Fiscal years ending June 30, 1957, 1958, and 1959]

	1957 actual (1956 crop year)	*1958 estimate (1957 crop year)*	*1959 estimate (1958 crop year)*
Barley	$62,365	$122,000	$31,000
Beans	5,443	−6,800	13,000
Citrus	83,749	86,200	22,000
Corn	−6,377,443	1,459,100	416,000
Cotton	556,044	409,800	160,000
Flax	299,996	−729,000	65,000
Multiple	−909,248	1,255,000	294,000
Peaches		15,400	4,000
Soybeans	11,583	12,900	73,000
Tobacco	1,558,351	1,075,100	205,000
Wheat	−1,034,439	3,166,500	1,130,000
Premium surplus or deficit (−)	−5,743,599	6,866,200	2,413,000
Direct cost of loss adjusters (−)	−913,224	−850,000	−940,000
Administrative expenses chargeable to premium income (−)	−45,488	−2,000,000	−2,000,000
Other expenses, net (−)	−53,955	−53,000	−141,000
Net income or loss (−)	−6,756,266	3,963,200	−668,000

SUMMARY OF INSURANCE OPERATIONS AND ADMINISTRATIVE EXPENSES

	1957 actual	*1958 estimate*	*1959 estimate*
Program surplus or deficit (−)	−$5,797,554	$6,813,200	$2,272,000
Administrative costs:			
Appropriated funds	6,210,000	6,376,700	6,376,700
Capital and insurance funds	45,488	2,000,000	2,000,000
Loss adjustment costs	913,224	850,000	940,000
Total deficit (−)	−12,966,266	−2,413,500	−7,044,700

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Indemnities	$27,888,657	$10,460,000	$21,716,000
Inspection and adjustment costs	913,224	850,000	940,000
Administrative expenses charged to program operations	45,488	2,000,000	2,000,000
Chargeoff of premiums and other receivables	33,062	50,000	50,000
Increase in selected working capital	$1,481,154		$8,500
Total gross expenditures	30,361,585	$13,360,000	24,714,500
Receipts from operations (funds provided):			
Insurance premiums	22,145,058	17,326,200	24,129,000
Interest on premium notes	779,944	120,000	100,000
Other income	233		
Prior year adjustment	71,820		
Decrease in selected working capital		2,494,092	
Total receipts from operations	22,997,055	19,940,292	24,229,000
Budget expenditures	7,364,530	−6,580,292	485,500

Revenue, Expense, and Retained Earnings

Revenue	$22,997,055	$17,446,200	$24,229,000
Expense	29,753,321	13,483,000	24,897,000
Net income or loss (−) for year	−6,756,266	3,963,200	−668,000
Deficit (−), beginning of year	−11,705,599	−18,461,865	−14,498,665
Deficit (−), end of year	−18,461,865	−14,498,665	−15,166,665

Financial Condition

Assets:			
Cash with Treasury	$21,768,242	$28,348,534	$27,863,034
Accounts receivable, net	3,538,687	4,459,320	4,576,820
Total assets	25,306,929	32,807,854	32,439,854
Liabilities:			
Current	3,768,794	7,306,519	7,606,519
Government investment:			
Non-interest-bearing capital:			
Start of year	27,000,000	40,000,000	40,000,000
Subscription to capital stock	13,000,000		
End of year	40,000,000	40,000,000	40,000,000
Deficit (−)	−18,461,865	−14,498,665	−15,166,665
Total Government investment	21,538,135	25,501,335	24,833,335

NOTE.—Excludes contingent liabilities representing actual and estimated insurance coverage on 1957, 1958, and 1959 crops in the following amounts: June 30, 1957, $242,100,000; 1958, $334,000,000; and 1959, $345,000,000.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$16,132,772	$21,768,242	$28,348,534	$27,863,034
Obligated balance, net:				
Current liabilities	6,462,692	3,768,794	7,306,519	7,606,519
Accounts receivable (net) (−)	−5,624,321	−3,538,687	−4,459,320	−4,576,820
Total obligated balance	838,371	230,107	2,847,199	3,029,699
Unobligated balance	15,294,401	21,538,135	25,501,335	24,833,335

Object Classification

	1957 actual	1958 estimate	1959 estimate
Full-time equivalent of all other positions	147	135	149
Average number of all employees	147	135	149
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$559,257	$515,000	$569,000
02 Travel	342,626	323,400	358,200
07 Other contractual services: Agents' commissions	45,488	2,000,000	2,000,000
13 Refunds, awards, and indemnities	27,888,657	10,460,000	21,716,000
15 Taxes and assessments	11,341	11,600	12,800
Undistributed	905,952	173,000	241,000
Total obligations	29,753,321	13,483,000	24,897,000

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Underwriting and actuarial analysis	$984	$200	
2. Contract sales and servicing	7,681	1,800	
3. Crop inspections and loss adjustment	2,377	500	
Total obligations	11,042	2,500	
Financing:			
Advances and reimbursements from—			
Other accounts	10,363	1,000	
Non-Federal sources (40 U. S. C. 481 (c))	679	1,500	
Total financing	11,042	2,500	

Object Classification

Number of employees at end of year	0	0	
01 Personal services:			
Positions other than permanent	$570		
Other personal services	9,103		
Total personal services	9,673		
06 Printing and reproduction	690	$1,000	
09 Equipment	679	1,500	
Total obligations	11,042	2,500	

RURAL ELECTRIFICATION ADMINISTRATION

Current authorizations:

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act as follows: Rural electrification program, [$179,000,000, of which not to exceed $20,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1958 under the then existing conditions for the expeditious and orderly development of the rural electrification program] *$150,000,000*; and rural telephone program, [$60,000,000, of which not to exceed $10,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1958 under the then existing conditions for the expeditious and orderly development of the rural telephone program] *$56,000,000*. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Rural electrification	$300,461,514	$280,000,000	$175,000,000
2. Rural telephone	81,729,000	80,000,000	59,600,000
Total obligations	382,190,514	360,000,000	234,600,000
Financing:			
Unobligated balance brought forward (authorization to expend from debt receipts)	−55,022,706	−171,570,037	−25,670,037
Recovery of prior obligations	−4,737,845	−5,100,000	−3,100,000
Unobligated balance carried forward (authorization to expend from debt receipts)	171,570,037	25,670,037	170,037
Unobligated balance of debt receipts (reserve authorization available during year)	20,000,000	30,000,000	
Authorization to expend from public debt receipts (new obligational authority)	514,000,000	239,000,000	206,000,000

The Administration conducts two major programs: (*a*) the rural electrification program to provide electric service to farms and other rural establishments; and (*b*) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making loans are borrowed from the Secretary of the Treasury. Legislation will be proposed to enable borrowers to obtain funds also from private lenders.

1. *Rural electrification.*—This program is financed through loans which bear 2% interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2% interest to electrification borrowers to be reloaned to their consumers for wiring and for the installation of electrical and plumbing appliances and equipment.

When the rural electrification program was initiated in 1935, less than 11% of all farms had electric service. On June 30, 1957, about 95% of the farms were electrified.

STATUS OF THE ELECTRIFICATION PROGRAM

Program Financing

	1957 actual	*1958 estimate*	*1959 estimate*
Loan funds available:			
For loans	$300,461,514	$280,000,000	$175,000,000
Reserve for additional loan needs	139,972,861	43,072,861	72,861
Total loan funds available	440,434,375	323,072,861	175,072,861
Analysis of loan funds available:			
New loan authorization (including reserves)	414,000,000	179,000,000	150,000,000
Carryover from prior year	24,677,530	139,972,861	23,072,861
Rescissions of prior loans	1,756,845	4,100,000	2,000,000
Total loan funds available	440,434,375	323,072,861	175,072,861
Less—			
Loans	300,461,514	280,000,000	175,000,000
Reserves		20,000,000	
Balance to next year	139,972,861	23,072,861	72,861

Program Statistics

Cumulative net loans	$3,536,955,428	$3,812,855,428	$3,985,855,428
Cumulative funds advanced	$2,941,213,434	$3,181,213,434	$3,471,213,434
Cumulative principal repaid	$577,435,945	$667,865,945	$763,510,945
Cumulative interest paid	$285,471,883	$327,491,883	$372,326,883
Cumulative miles energized	1,394,353	1,419,000	1,440,000
Cumulative consumers served	4,406,503	4,506,000	4,600,000
Number of borrowers	1,078	1,080	1,082

2. *Rural telephone.*—Loans are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of the telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2% interest and must be repaid within a period not to exceed 35 years.

In 1950, when the telephone program started, the U. S. census of agriculture showed 38.2% of all farms with telephone service, fewer in both number and percentage than in 1920. At the present time the percentage of farms having telephone service is estimated at approximately 54%. Cumulative Rural Electrification Administration loans through June 30, 1957, will provide initial or improved service to an estimated 863,329 rural subscribers.

STATUS OF THE TELEPHONE PROGRAM

Program Financing

	1957 actual	*1958 estimate*	*1959 estimate*
Loan funds available:			
For loans	$81,729,000	$80,000,000	$59,600,000
Reserve for additional loan needs	51,597,176	12,597,176	97,176
Total loan funds available	133,326,176	92,597,176	59,697,176
Analysis of loan funds available:			
New loan authorization (including reserves)	100,000,000	60,000,000	56,000,000
Carryover from prior year	30,345,176	31,597,176	2,597,176
Rescissions of prior loans	2,981,000	1,000,000	1,100,000
Total loan funds available	133,326,176	92,597,176	59,697,176
Less—			
Loans	81,729,000	80,000,000	59,600,000
Reserves	20,000,000	10,000,000	
Balance to next year	31,597,176	2,597,176	97,176

Program Statistics

Cumulative net loans	$391,139,542	$470,139,542	$528,639,542
Cumulative funds advanced	$226,748,656	$316,748,656	$393,748,656
Cumulative principal repaid	$4,673,107	$7,368,107	$11,128,107
Cumulative interest paid	$3,197,398	$5,567,398	$8,962,398
Miles of route line constructed or improved cumulative	(est.)103,000	143,000	175,000
Subscribers, new or improved service, cumulative	(est.)327,000	429,000	526,000
Number of borrowers	551	650	750

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RURAL ELECTRIFICATION ADMINISTRATION—Continued

Current authorizations—Continued

LOAN AUTHORIZATIONS—Continued

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
For the fiscal year:			
Lending operations:			
Interest income	$49,871,917	$54,085,000	$59,130,000
Expense:			
Interest expense	48,280,003	52,254,500	57,798,000
Provision for possible losses on loans	768,653	977,000	1,097,000
Total expense	49,048,656	53,231,500	58,895,000
Net income from lending operations	823,261	853,500	235,000
Administrative expenses (provided by annual appropriations): Salaries and expenses	8,337,929	9,019,000	9,019,000
Cumulative to end of fiscal year:			
Lending operations:			
Interest income	417,255,870	471,340,870	530,470,870
Expense:			
Interest expense	361,580,165	413,834,665	471,632,665
Provision for possible losses on loans	7,303,611	8,280,611	9,377,611
Losses on foreclosed loans	44,478	44,478	44,478
Total expense	368,928,254	422,159,754	481,054,754
Net income from lending operations	48,327,616	49,181,116	49,416,116
Administrative expenses (provided by annual appropriations): Salaries and expenses	106,726,989	115,745,989	124,764,989

Financial Condition

Assets:			
Loans and interest receivable less allowance for possible losses	$2,707,091,539	$2,952,675,159	$3,230,073,159
Cash on hand	340,621	350,000	350,000
Cash on deposit with Treasury	3,149,996	3,237,200	3,237,200
Travel advances to employees and miscellaneous receivables	97,272	98,000	98,000
Total assets	2,710,679,428	2,956,360,359	3,233,758,359
Liabilities:			
Current	741,821	784,000	784,000
Government investment:			
Borrowings from Treasury	2,518,950,883	2,763,724,185	3,040,887,185
Appropriated administrative funds (net)	106,766,231	115,797,181	124,816,181
Appropriated loan funds (net)	142,619,866	142,619,866	142,619,866
Net income from lending operations	48,327,616	49,181,116	49,416,116
Administrative expenses (−)	−106,726,989	−115,745,989	−124,764,989
Total Government investment	2,709,937,607	2,955,576,359	3,232,974,359

Object Classification

16 Investments and loans	$382,190,514	$360,000,000	$234,600,000

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, and not to exceed $150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), [$9,030,950] *$9,019,000. (5 U. S. C. 511–512; 7 U. S. C. 901–924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$9,030,950** Estimate 1959, **$9,019,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration of rural electrification program	$4,268,402	$4,587,000	$4,587,000
2. Administration of rural telephone program	4,058,286	4,432,000	4,432,000
Total obligations	8,326,688	9,019,000	9,019,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$98,312	$11,950	
New obligational authority	8,425,000	9,030,950	$9,019,000
New obligational authority:			
Appropriation	$8,600,000	$9,030,950	$9,019,000
Transferred to "Salaries and expenses," Forest Service (71 Stat. 13)	−175,000		
Appropriation (adjusted)	8,425,000	9,030,950	9,019,000

The Administration makes self-liquidating loans for the extension and improvement of electric and telephone services in rural areas. Business management and technical help is furnished borrowers where needed to protect the Government's loan security and to assure that construction and operation of their systems conform to approved standards and are adequate to provide continuous and reliable service.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,095	1,032	1,032
Full-time equivalent of all other positions	3	4	4
Average number of all employees	1,029	1,031	1,025
Number of employees at end of year	1,018	1,028	1,028
Average GS grade and salary	9.2 $6,469	9.2 $6,572	9.3 $6,610
01 Personal services:			
Permanent positions	$6,667,841	$6,766,325	$6,766,325
Positions other than permanent	40,554	50,000	50,000
Other personal services	2,855	33,230	33,230
Total personal services	6,711,250	6,849,555	6,849,555
02 Travel	1,054,504	1,199,450	1,189,750
03 Transportation of things	28,043	32,700	28,700
04 Communication services	116,304	113,310	113,310
05 Rents and utility services	28,424	29,460	29,460
06 Printing and reproduction	118,529	118,250	118,250
07 Other contractual services	44,043	41,800	41,800
Services performed by other agencies	77,504	62,550	62,550
08 Supplies and materials	45,495	48,925	48,925
09 Equipment	86,885	90,000	90,000
11 Grants, subsidies, and contributions		421,300	435,000
13 Refunds, awards, and indemnities	13,215	9,000	9,000
15 Taxes and assessments	2,492	2,700	2,700
Total obligations	8,326,688	9,019,000	9,019,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration of rural electrification program	$3,850	$495	
2. Administration of rural telephone program	2,984	482	
Total obligations	6,834	977	
Financing:			
Advances and reimbursements from—			
Other accounts	5,096		
Non-Federal sources (40 U. S. C. 481 (c))	1,738	977	
Total financing	6,834	977	

Object Classification

Average number of employees	1		
Number of employees at end of year	0		
Average GS grade and salary	9.0 $6,586		
01 Personal services: Permanent positions	$5,073		
02 Travel	23		
09 Equipment	1,738	$977	
Total obligations	6,834	977	

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FARMERS' HOME ADMINISTRATION

Current authorizations:

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000–1031); the Farmers' Home Administration Act of 1946 (7 U. S. C. 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C. Code 535; 60 Stat. 1062–1080); the Act of July 30, 1946 (40 U. S. C. 436–439); the Act of August 28, 1937, as amended (16 U. S. C. 590r–590x—3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U. S. C. 1471–1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U. S. C. 440–444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U. S. C. 590y, z—1 and z—10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U. S. C. 1033–1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I, *title II*, and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, [$24,000,000,] *and the Act of August 28, 1937, as amended, $175,000,000*, of which not to exceed $2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto[,] for *title I* loans in reclamation projects and to entrymen on unpatented public land[; title II of the Bankhead-Jones Farm Tenant Act, as amended, $180,000,000; the Act of August 28, 1937, as amended, $5,500,000]: *Provided*, That not to exceed the foregoing [several amounts] *amount* shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Farm ownership loans	$46,307,836	$24,000,000	$175,000,000
2. Farm operating loans	179,999,994	180,000,000	
3. Soil and water conservation loans	5,499,815	5,500,000	
4. Farm housing loans	21,290,884	30,000,000	10,000,000
Total obligations	253,098,529	239,500,000	185,000,000
Financing:			
Unobligated balance brought forward	−1,332,148	−430,139,387	−400,139,387
Recovery of prior year obligations	−98,123		
Unobligated balance carried forward	430,139,387	400,139,387	390,139,387
Unobligated balance no longer available	3,692,355		
Authorization to expend from public debt receipts (new obligational authority)	685,500,000	209,500,000	175,000,000

The Administration makes and insures loans to farmers unable to secure credit from other sources at reasonable rates.

The total borrowing authorization requested for farm ownership, operating, and conservation loans amounts to $175,000,000, a reduction of $34,500,000 below the authorization for 1958. Appropriation language is proposed to permit this amount to be obligated for farm ownership, soil and water conservation or operating loans as the need and demand may arise in 1959. It is anticipated that legislation will be proposed to extend the insured loan authority and thus reduce the need for direct loan funds for farm ownership and soil and water conservation loans.

1. *Farm ownership loans.*—Direct farm ownership loans are made to tenants, sharecroppers, farm laborers, owners of inadequate farms, and eligible veterans for the purchase or improvement of family-type or less-than-family-type farms. Loans may be made to farm owners for the refinancing of secured or unsecured indebtedness. These loans may be made up to the fair value of the farm (normal market value on less than family-type farms to owner-operators with off-farm income) at not to exceed 5% interest up to 40 years. Farm ownership, and also farm housing loans, made with funds advanced by private lenders, are insured by the Government up to 90% of the value of the farm for 40 years at not more than 4% interest, plus 0.5% as an insurance premium, and 0.5% as an administrative expense charge. The Administration services these insured loans, makes collections, and pays the lender.

FARM OWNERSHIP LOANS

	1957 actual		*1958 estimate*		*1959 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Number of applications	35,566		24,600		28,600	
Direct loans	3,702	$46,307,836	1,870	$24,000,000	1,250	$15,000,000
Insured loans	2,452	29,771,530	1,450	17,500,000	4,370	40,000,000

2. *Farm operating loans.*—Direct loans are made for periods up to 7 years at 5% interest in amounts up to $10,000, with a limitation of $20,000 on the total principal indebtedness, to provide reasonable farm and home credit for the purchase of livestock, feed, seed, farm equipment, and other farm necessities, including the refinancing of indebtedness to operators of not larger than family-type farms. In justifiable cases, loans may be made beyond 7 years but not beyond 10 years.

FARM OPERATING LOANS

	1957 actual	*1958 estimate*	*1959 estimate*
Number of applications	124,839	116,000	116,000
Number of loans	82,298	81,540	74,360
Amount	$179,999,994	$180,000,000	$155,000,000

3. *Soil and water conservation loans.*—Direct and insured loans are made to farmers and associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Interest rates on these loans are set administratively at the same rates as farm ownership loans. In addition, at least 0.5% as an insurance premium and 0.5% as an administrative expense charge is collected on each loan. Loans are made for periods up to 20 years for individuals and 40 years for associations.

SOIL AND WATER CONSERVATION LOANS

	1957 actual		*1958 estimate*		*1959 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Number of applications	4,633		3,165		3,165	
Direct loans:						
To individuals	855	$4,592,715	570	$2,940,000	570	$2,940,000
To groups	24	907,100	50	2,560,000	42	2,060,000
Insured loans:						
To individuals	664	3,336,239	425	2,100,000	1,005	5,100,000
To groups	10	589,930	10	1,400,000	20	1,900,000

4. *Farm housing loans.*—Direct farm housing loans are made to farm owners for periods up to 33 years at 4% interest to construct, improve, alter, repair, or replace dwellings and other farm buildings. It is proposed to borrow $10,000,000 under continuing authority of $450,000,000 of which a balance of $400,139,387 is estimated to be available at June 30, 1958.

FARM HOUSING LOANS

	1957 actual	*1958 estimate*	*1959 estimate*
Number of applications	10,138	10,000	6,000
Number of loans	3,358	4,790	1,715
Amount	$21,290,884	$30,000,000	$10,000,000

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FARMERS' HOME ADMINISTRATION—Continued

Current authorizations—Continued

LOAN AUTHORIZATIONS—Continued

Collections of principal and interest in 1959 are expected to exceed new loans made by about $42 million.

COLLECTIONS OF PRINCIPAL AND INTEREST

	1957 actual	*1958 estimate*	*1959 estimate*
Direct farm ownership loans	$22,968,859	$24,862,000	$27,060,000
Farm operating loans	150,012,683	173,776,000	181,686,000
Direct soil and water conservation loans	3,308,278	3,970,000	4,580,000
Farm housing loans	9,819,407	11,650,000	13,700,000
Total	186,109,227	214,258,000	227,026,000

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
For the fiscal year: Lending operations:			
Income:			
Interest on loans	$29,340,995	$31,763,000	$34,960,000
Other income	122,087	10,000	15,000
Total income	29,463,082	31,773,000	34,915,000
Expense:			
Interest on borrowings	4,437,410	6,200,000	6,800,000
Losses and writeoffs	15,971,444	15,245,000	12,750,000
Other expense	22,130		
Increase or decrease (−) in allowance for loans:			
Loans	−27,636	−49,844	−420,000
Interest and other	−268,549	−3,265,469	−1,351,750
Depreciation	16,463		
Total expense	20,151,262	18,129,687	17,778,250
Net income from lending operations	9,311,820	13,643,313	17,136,750
Administrative expenses (provided by annual appropriations)	28,807,245	29,089,500	29,089,500
Cumulative to end of fiscal year: Lending operations:			
Net results of prior year operations	121,576,201	130,888,021	144,531,334
Net income for year	9,311,820	13,643,313	17,136,750
Total lending operations	130,888,021	144,531,334	161,668,084
Administrative expenses (provided by annual appropriations):			
Prior year expense	260,922,601	289,729,846	318,819,346
For the year	28,807,245	29,089,500	29,089,500
Total	289,729,846	318,819,346	347,908,846

Financial Condition

Assets:			
Cash	$69,530,764	$19,133,747	$17,202,247
Interest on loans and accounts receivable, net	21,328,545	21,669,108	20,462,108
Other current assets	147,903	143,420	143,420
Total current assets	91,007,212	40,946,275	37,807,775
Loans receivable	710,565,766	775,795,766	760,544,766
Allowance for losses on loans receivable (−)	−84,018,844	−83,969,000	−83,549,000
Fixed property and equipment, net	140,220	140,220	140,220
Judgments and acquired security, net	1,482,374	1,378,280	1,226,030
Total assets	719,176,728	734,291,541	716,169,791
Liabilities:			
Current	3,605,548	3,845,048	3,958,548
Government investment:			
Borrowing from Treasury	253,204,710	254,734,710	219,648,710
Appropriation	433,924,076	463,013,576	492,103,076
Assets taken over from prior agencies, net	438,083,631	438,083,631	438,083,631
Results of lending operations, net	130,888,021	144,531,334	161,668,084
Administrative expenses (−)	−289,729,846	−318,819,346	−347,908,846
Deposit of general and special fund revenue (−)	−250,799,412	−251,097,412	−251,383,412
Total Government investment	715,571,180	730,446,493	712,211,243

Object Classification

16 Investments and loans	$253,098,529	$239,500,000	$185,000,000

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, $29,089,500, together with a transfer of not to exceed [$950,000] *$1,000,000* of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1005 (b)), and section 10 (c) of the Act of August 28, 1937, as amended. *(7 U. S. C. 1040; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$29,089,500** Estimate 1959, **$29,089,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration of direct and insured loan programs (total obligations)	$28,063,463	$30,005,500	$30,035,500
Financing:			
Advances and reimbursements from other accounts	−445,000	−916,000	−946,000
Unobligated balance no longer available	16,537		
New obligational authority	27,635,000	29,089,500	29,089,500
New obligational authority:			
Appropriation	$27,750,000	$29,089,500	$29,089,500
Transferred to "Salaries and expenses," Forest Service (71 Stat. 180)	−115,000		
Appropriation (adjusted)	27,635,000	29,089,500	29,089,500

These funds are used to administer the loan programs of the Farmers' Home Administration including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers, as described in the "Loan authorizations" appropriation.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	4,903	4,862	4,792
	Full-time equivalent of all other positions	461	508	475
	Average number of all employees	5,132	5,187	5,130
	Number of employees at end of year	9,854	9,737	9,760
	Average GS grade and salary	5.9 $4,708	6.0 $4,747	6.0 $4,770
01	Personal services:			
	Permanent positions	$22,069,365	$22,362,800	$22,354,435
	Positions other than permanent	761,478	779,100	734,100
	Other personal services	168,728	197,400	188,400
	Total personal services	22,999,571	23,339,300	23,276,935
02	Travel	2,849,232	3,019,100	2,988,465
03	Transportation of things	131,224	130,000	130,000
04	Communication services	593,035	570,000	594,000
05	Rents and utility services	773,173	860,000	915,000
06	Printing and reproduction	147,918	145,000	150,000
07	Other contractual services	214,146	235,000	228,000
	Services performed by other agencies	43,398	44,000	44,000
08	Supplies and materials	131,506	135,000	141,500
09	Equipment	145,883	105,900	110,900
11	Grants, subsidies, and contributions		1,390,000	1,424,500
13	Refunds, awards, and indemnities		200	200
	Awards for employee suggestions	24,036	20,000	20,000
15	Taxes and assessments	10,341	12,000	12,000
	Total obligations	28,063,463	30,005,500	30,035,500

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Disaster loans, etc., revolving fund."
"Mutual security," funds appropriated to the President.
"Watershed protection," Soil Conservation Service.

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Public enterprise funds:

DISASTER LOANS, ETC., REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay:			
1. Loan commitments:			
(a) Production emergency loans	$39,157,375	$27,617,000	$30,400,000
(b) Economic emergency loans	6,400,161	4,000,000	4,000,000
(c) Special livestock loans	10,861,663	5,000,000	3,600,000
(d) Special emergency loans	9,693,494	12,000,000	12,000,000
(e) Other loans	84,550	50,000	
2. Judgments and collateral acquired	12,593	5,000	6,000
3. Emergency hay and roughage assistance	17,426,445	100,000	
4. Administrative expenses	5,702,677	4,355,270	4,137,600
5. Other expenses	239,232	316,187	505,000
Total program (obligations)	89,578,190	53,443,457	54,648,600
Financing:			
Amounts becoming available:			
Repayments on loans	79,200,512	58,470,000	53,560,000
Proceeds from sale of acquired chattels	2,925	40,000	50,000
Repayments of judgments	25,925	60,000	60,000
Interest income	3,536,447	3,642,100	2,978,100
Other income	4,770		
Cancellation of prior year obligation	70,515		
Total amounts becoming available	82,841,094	62,212,100	56,648,100
Unobligated balance brought forward	40,416,147	33,679,051	42,447,694
Total amounts available	123,257,241	95,891,151	99,095,794
Unobligated balance carried forward	−33,679,051	−42,447,694	−44,447,194
Financing applied to program	89,578,190	53,443,457	54,648,600

Purpose and financial organization.—This fund finances loans to farmers and stockmen in the event of disasters and other emergencies, in areas where agricultural credit is not readily available. The fund is also used to provide emergency assistance in furnishing feed and seed, including hay and roughage, in areas suffering major disasters. It was created by the transfer of the assets of the Regional Agricultural Credit Corporation of Washington which was abolished.

Budget program—1. *Loan commitments*—(*a*) *Production emergency loans.*—Loans are made to farmers and stockmen suffering production disasters at 3% interest when agricultural credit is not readily available from other sources. The $27.6 million estimate for 1958 is $11.6 million lower than 1957 actual, and assumes a probable reduced need for this type of assistance. The estimate for 1959 of $30.4 million is increased by $2.8 million from the 1958 estimate.

(*b*) *Economic emergency loans.*—Loans are made at 3% interest in any economic disaster area declared by the President, if agricultural credit cannot be met temporarily by regularly established lending institutions. Loans are estimated at $4 million each for 1958 and 1959, as compared with $6.4 million actual in 1957.

(*c*) *Special livestock loans.*—For 4 years after July 14, 1953, loans were authorized to be made at 5% interest to established livestock producers who were temporarily unable to get credit from recognized lenders and who had a reasonable chance of working out their difficulties with supplementary financing. Supplemental loans may be made for an additional 2 years after July 14, 1957, to individuals already indebted. The estimate for such supplemental loans in 1958 is $5 million. The 1959 estimate is $3.6 million, a decrease of $7.3 million from the 1957 actual and $1.4 million from the 1958 estimate.

(*d*) *Special emergency loans.*—Special emergency loans up to a total of $65 million may be made up to June 30, 1959, in areas where the Secretary finds a need for credit which cannot be met through other means. The estimates for 1958 and 1959 are $12 million each, an increase of $2.3 million over 1957.

(*e*) *Other loans.*—Loans at 5% interest may be made to bona fide fur farmers until June 30, 1958, where necessary to protect the Government's interest in existing loans which had been made by the Regional Agricultural Credit Corporation or other authorities.

3. *Emergency hay and roughage assistance.*—Assistance in purchasing hay and roughage was given to established farmers, ranchers, and stockmen in areas which were determined by the President to warrant assistance because of a major disaster. Programs were conducted in 1956 and 1957, but similar programs are not anticipated in 1958 or 1959.

4. *Administrative expenses—Loan programs.*—Administrative expenses applicable to the loan programs financed from this fund are incurred by the Farmers' Home Administration and the Office of the General Counsel, and are estimated to be $3,676,600 in 1959.

Emergency feed programs.—Administrative expenses in connection with feed assistance furnished from Commodity Credit Corporation stocks will be incurred by the Commodity Stabilization Service in 1959 in an estimated amount of $461,000, a decrease of $217,000 below the estimated amount for 1958. In 1957, administrative expenses incurred by the Commodity Stabilization Service and the Farmers' Home Administration in connection with this program and the emergency hay and roughage assistance program amounted to $3,311,565.

Financing the budget program.—No new budgetary authorization is required for 1959. Although a net loss of $3.4 million is estimated on an accrual basis, net receipts of $1.8 million are anticipated on a cash basis.

During 1959, the program is wholly financed by receipts from operations and, in addition, the balance of prior year authorization available at the end of the fiscal year to finance future years' programs will increase by $2 million to $44.5 million.

Operating results and financial condition.—Income for 1959, consisting principally of interest on loans, is estimated at $3 million, compared to expenses of $6.4 million, resulting in an estimated loss of $3.4 million. Net loss of $2.5 million is estimated for 1958, and a net loss of $24.2 million resulted in 1957 due primarily to $17.4 million in assistance to States under the hay and roughage program.

Loans receivable, after allowance for losses, are expected to amount to $75.7 million on June 30, 1959, as compared with $81.1 million at June 30, 1958, and $92.4 million on June 30, 1957.

The Government investment at June 30, 1959, is expected to be $121.7 million, consisting of $205.9 million appropriated and donated, less a deficit of $84.2 million.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$66,915,258	$48,667,000	$50,000,000
Acquired security or collateral	858	5,000	6,000
Judgments	11,735		
Expense	23,264,862	4,663,270	4,355,600
Increase in selected working capital	2,251,555	411,023	503,400
Total gross expenditures	92,444,268	53,746,293	54,865,000
Receipts from operations (funds provided):			
Loan program:			
Repayments on loans	79,200,512	58,470,000	53,560,000
Acquired security or collateral	2,925	40,000	50,000
Judgments	25,925	60,000	60,000
Revenue	3,541,217	3,642,100	2,978,100
Total receipts from operations	82,770,579	62,212,100	56,648,100
Budget expenditures	9,673,689	−8,465,807	−1,783,100

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FARMERS' HOME ADMINISTRATION—Continued

Public enterprise funds—Continued

DISASTER LOANS, ETC., REVOLVING FUND—Continued

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Operating program:			
Revenue	$3,541,217	$3,642,100	$2,978,100
Expense	27,771,693	6,141,039	6,359,099
Net operating loss (−)	−24,230,476	−2,498,939	−3,380,999
Nonoperating income:			
Proceeds from sale of acquired security or collateral	86,789	40,000	50,000
Net book value of assets sold (−)	−70,929	−40,000	−50,000
Net nonoperating income	15,860		
Net loss (−) for the year	−24,214,616	−2,498,939	−3,380,999
Deficit (−), beginning of year	−54,109,827	−78,324,443	−80,823,382
Deficit (−), end of year	−78,324,443	−80,823,382	−84,204,381

Financial Condition

Assets:			
Cash with Treasury	$28,033,236	$36,499,043	$38,282,143
Accounts receivable, net	8,029,256	7,856,249	7,935,649
Loans receivable, net	92,335,877	81,103,295	75,709,295
Acquired security or collateral	34,155	39,155	40,155
Judgments, net	117,084	127,084	139,585
Total assets	128,599,608	125,624,826	122,106,827
Liabilities:			
Current	1,065,906	590,063	453,063
Government investment:			
Non-interest-bearing capital	205,858,145	205,858,145	205,858,145
Deficit (−)	−78,324,443	−80,823,382	−84,204,381
Total Government investment	127,533,702	125,034,763	121,653,764

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$37,706,925	$28,033,236	$36,499,043	$38,282,143
Obligated balance, net:				
Current liabilities	168,035	1,065,906	590,063	453,063
Undisbursed loan commitments	2,070,520	1,317,535	1,317,535	1,317,535
Accounts receivable (net) and cash in transit (−)	−4,947,777	−8,029,256	−7,856,249	−7,935,649
Total obligated balance	−2,709,222	−5,645,815	−5,948,651	−6,165,051
Unobligated balance	40,416,147	33,679,051	42,447,694	44,447,194

Object Classification

	1957 actual	1958 estimate	1959 estimate
FARMERS' HOME ADMINISTRATION			
Total number of permanent positions	496	518	518
Full-time equivalent of all other positions	433	212	210
Average number of all employees	931	727	722
Number of employees at end of year	637	670	670
Average GS grade and salary	5.5 $4,577	5.4 $4,511	5.4 $4,533
01 Personal services:			
Permanent positions	$2,277,718	$2,324,600	$2,323,200
Positions other than permanent	1,147,617	801,000	793,000
Other personal services	6,711	14,200	15,600
Total personal services	3,432,046	3,139,800	3,131,800
02 Travel	593,648	333,370	330,000
04 Communication services	5,312	2,000	2,000
06 Printing and reproduction	4,502	5,000	6,000
07 Other contractual services	7,361	7,500	7,500
Services performed by other agencies	3,280		
08 Supplies and materials	4,939	5,000	5,000
11 Grants, subsidies, and contributions	17,426,445	240,000	149,700
15 Taxes and assessments	18,128	18,000	18,000
16 Investments and loans	66,197,243	48,667,000	50,000,000
Undistributed charges	251,825	321,187	511,000
Total, Farmers' Home Administration	87,944,729	52,738,857	54,161,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOTMENT ACCOUNTS			
Total number of permanent positions	45	46	43
Full-time equivalent of all other positions		1	1
Average number of all employees	43	47	44
Number of employees at end of year	40	46	43
Average GS grade and salary	5.6 $4,560	5.6 $4,560	5.6 $4.560
01 Personal services:			
Permanent positions	$246,310	$278,010	$251,807
Positions other than permanent		6,000	5,108
Other personal services	8,133	605	700
Total personal services	254,443	284,615	257,615
02 Travel	112,287	113,700	97,300
03 Transportation of things	908	1,600	1,000
04 Communication services	2,516	4,300	3,500
05 Rents and utility services	58		
06 Printing and reproduction	623	12,300	10,600
07 Other contractual services	15,054	85	85
Advanced to—			
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	1,027,712	188,000	60,000
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1932)	216,078	76,000	36,000
Other	1,001	1,500	1,300
08 Supplies and materials	1,365	3,100	2,700
09 Equipment	5	1,200	1,000
11 Grants, subsidies, and contributions		17,300	15,800
13 Refunds, awards, and indemnities		300	200
15 Taxes and assessments	1,411	600	500
Total, allotment accounts	1,633,461	704,600	487,600
Total obligations	89,578,190	53,443,457	54,648,600
Obligations are distributed as follows:			
Farmers' Home Administration	$87,944,729	$52,738,857	$54,161,000
Commodity Stabilization Service	1,608,683	678,000	461,000
Office of the General Counsel	24,778	26,600	26,600

FARM TENANT-MORTGAGE INSURANCE FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay (obligations):			
Loans made:			
For payment of delinquent installments	$1,123,972	$1,400,000	$1,400,000
For other advances	56,199	80,000	90,000
Purchase of loans from lenders	8,655,481	12,695,038	5,730,000
Collateral acquired by default	10,733		
Judgments	832		
Total capital outlay	9,847,217	14,175,038	7,220,000
Operations (obligations):			
Administrative expenses	445,000	916,000	946,000
Costs incident to acquired real estate	4,743	5,000	9,000
Writeoffs—interest and accounts receivable	60		
Interest on borrowings from Treasury	81,429	370,000	580,000
Total operating expense	531,232	1,291,000	1,535,000
Total program (obligations)	10,378,449	15,466,038	8,755,000
Financing:			
Amounts becoming available:			
Authorization to expend from debt receipts	7,625,000	10,230,000	3,550,000
Revenue and receipts:			
Repayments of advances for borrowers	902,899	980,000	1,100,000
Repayments of loans held by fund	719,962	2,200,000	1,400,000
Proceeds from sale of acquired real estate	114,179	130,000	170,000
Insurance premiums	1,712,919	2,160,000	2,493,000
Interest income	182,150	390,000	760,000
Fees and other income	60,180	52,000	82,000
Total amounts becoming available	11,317,289	16,142,000	9,555,000
Unobligated balance brought forward:			
Cash in fund	1,711,822	2,650,662	3,326,624
Authorization to expend from debt receipts	4,900,000		
Total amounts available	17,929,111	18,792,662	12,881,624
Unobligated balance carried forward	−2,650,662	−3,326,624	−4,126,624
Unobligated balance no longer available	−4,900,000		
Financing applied to program	10,378,449	15,466,038	8,755,000

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Purpose and financial organization.—This fund relates to insured farm ownership loans and soil and water conservation loans. The initial fund of $1 million is supplemented by charges collected from insured farm ownership and soil and water conservation loan borrowers, inspection and appraisal fees, and other charges. Receipts are available for administrative expenses and to cover losses.

Budget program.—Advances and purchases of loans are estimated at $7,220,000 in 1959, a decrease of $7,080,000 below 1958 and $2,372,301 below 1957. Outstanding loans insured on June 30, 1957, total $155,935,458 and are estimated at $157,808,089 on June 30, 1958, and $186,878,089 on June 30, 1959. The insurance endorsement on each loan includes an agreement by the Government to purchase the loan after a specified period at the holder's option.

Financing.—In order to finance the purchase of loans becoming eligible for redemption under the repurchase agreements, it is estimated that it will be necessary to utilize the statutory authorization (7 U. S. C. 1005c) to borrow from the Treasury in gross amounts of $10,230,000 in 1958 and $3,550,000 in 1959.

Operating results and retained earnings.—Total income, consisting principally of insurance premiums, is estimated at $3.3 million in 1959, an increase of about $0.7 million from 1958. Expenses are expected to increase less than half of this amount, resulting in increased net income of about $0.5 million.

The necessity to purchase loans is expected to result in outstanding loans receivable of $26.3 million at June 30, 1959. In the current investment market, there is little likelihood that any of these loans can be sold. Retained earnings, which are for absorption of any future losses, are estimated to be $8.1 million at the end of 1959. These earnings, when added to the $1 million appropriation and estimated borrowings of $21.5 million from the Treasury, represent a $30.6 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1957 actual	*1958 estimate*	*1959 estimate*
Annual mortgage insurance authority	$150,000,000	$150,000,000	$150,000,000
Charges against mortgage insurance authority during year:			
Mortgages insured	28,567,762	15,500,000	38,000,000
Commitments to insure pending advances by lenders	5,992,631	5,500,000	9,000,000
Mortgages accepted for the account of the fund, net	316,115	400,000	400,000
Total charges against authority	34,876,508	21,400,000	47,400,000
Unused insurance authority	115,123,492	128,600,000	102,600,000

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loans made:			
Payment of delinquent installments	$1,123,972	$1,400,000	$1,400,000
Advances on behalf of borrowers	56,199	80,000	90,000
Purchase of loans from lenders	8,412,130	12,820,000	5,730,000
Acquired real estate	10,733		
Judgments	832		
Expense	531,232	1,291,000	1,535,000
Increase in selected working capital	484,760	580,000	567,000
Total gross expenditures	10,619,858	16,171,000	9,322,000
Receipts from operations (funds provided):			
Loan repayments:			
On delinquent installments and advances on behalf of borrowers	902,899	980,000	1,100,000
On purchased loans and other loans	719,962	2,200,000	1,400,000
Sale of acquired real estate	114,179	130,000	170,000
Revenue	1,955,248	2,602,000	3,335,000
Total receipts from operations	3,692,288	5,912,000	6,005,000
Budget expenditures	6,927,570	10,259,000	3,317,000

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Operating program:			
Revenue	$1,955,248	$2,602,000	$3,335,000
Expense	577,072	1,351,000	1,620,000
Net income	1,378,176	1,251,000	1,715,000
Nonoperating loss (−):			
Proceeds from sale of acquired property	238,552	280,000	240,000
Net book value of assets sold (−)	−240,915	−288,000	−248,000
Net nonoperating loss (−)	−2,363	−8,000	−8,000
Net income for the year	1,375,813	1,243,000	1,707,000
Retained earnings, beginning of year	3,768,089	5,143,902	6,386,902
Retained earnings, end of year	5,143,902	6,386,902	8,093,902

Financial Condition

Assets:			
Cash with Treasury	$1,300,860	$1,271,860	$1,504,860
Accounts receivable, net	1,678,548	2,258,548	2,825,548
Loans receivable, net	10,753,173	21,765,173	26,252,173
Judgments	250	250	250
Real estate acquired through foreclosure	139,856	49,856	19,856
Total assets	13,872,687	25,345,687	30,602,687
Liabilities:			
Current	3,785	3,785	3,785
Government investment:			
Interest-bearing capital:			
Start of year	100,000	7,725,000	17,955,000
Borrowings from Treasury during year, net	7,625,000	10,230,000	3,550,000
End of year	7,725,000	17,955,000	21,505,000
Non-interest-bearing capital	1,000,000	1,000,000	1,000,000
Retained earnings	5,143,902	6,386,902	8,093,902
Total Government investment	13,868,902	25,341,902	30,598,902

NOTE.—This statement excludes contingent liabilities for the principal amount of insured loans as follows: June 30, 1957, $155,935,458; 1958, $157,808,089; and 1959, $186,878,089.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$603,430	$1,300,860	$1,271,860	$1,504,860
Obligated balance, net:				
Current liabilities	4,895	3,785	3,785	3,785
Undisbursed commitments to purchase loans	81,611	324,961	199,999	199,999
Accounts receivable (net) and cash in transit (−)	−1,194,898	−1,678,548	−2,258,548	−2,825,548
Total obligated balance	−1,108,392	−1,349,802	−2,054,764	−2,621,764
Unobligated balance	1,711,822	2,650,662	3,326,624	4,126,624

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$445,000	$916,000	$946,000
14 Interest	81,429	370,000	580,000
16 Investment and loans	9,835,652	14,175,038	7,220,000
Undistributed charges	16,368	5,000	9,000
Total obligations	10,378,449	15,466,038	8,755,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration of direct and insured loan programs (total obligations)	$109,371	$127,000	$127,000

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FARMERS' HOME ADMINISTRATION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Advances and reimbursements from—			
Other accounts	$93,106	$107,000	$107,000
Non-Federal sources (40 U. S. C. 481 (c))	16,265	20,000	20,000
Total financing	109,371	127,000	127,000

Object Classification

		1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions		15		15		15	
Average number of all employees		15		16		16	
Number of employees at end of year		15		15		15	
Average GS grade and salary		4.4	$4,289	4.6	$4,280	4.6	$4,323
01	Personal services:						
	Permanent positions	$64,893		$69,505		$70,145	
	Other personal services	1,899		270		275	
	Total personal services	66,792		69,775		70,420	
02	Travel	164		500		500	
03	Transportation of things	809		1,000		1,000	
04	Communication services	54		200		200	
05	Rents and utility services	24,707		29,825		28,980	
07	Other contractual services	1,389		3,600		3,600	
08	Supplies and materials			200		200	
09	Equipment	15,456		17,500		17,500	
11	Grants, subsidies, and contributions			4,400		4,600	
	Total obligations	109,371		127,000		127,000	

OFFICE OF THE GENERAL COUNSEL

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, [$2,943,000] *$3,043,000. (5 U. S. C. 511–512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$2,943,000** Estimate 1959, **$3,043,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Agricultural credit and conservation	$1,357,701	$1,479,000	$1,479,000
2. Commodity credit, production and adjustment programs	660,242	749,000	769,000
3. Marketing and regulatory laws	432,763	468,000	548,000
4. Agricultural research and staff legal services	230,207	247,000	247,000
Total obligations	2,680,913	2,943,000	3,043,000
Financing:			
Unobligated balance no longer available	34,087		
New obligational authority	2,715,000	2,943,000	3,043,000
New obligational authority:			
Appropriation	$2,785,000	$2,943,000	$3,043,000
Transferred to "Salaries and expenses," Forest Service (71 Stat. 13)	−70,000		
Appropriation (adjusted)	2,715,000	2,943,000	3,043,000

The Office serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

Increases in 1959 are to meet anticipated expansion in workload connected with disposal of surplus commodities and marketing and regulatory programs.

Object Classification

		1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions		439		429		446	
Full-time equivalent of all other positions		3		2		2	
Average number of all employees		388		408		419	
Number of employees at end of year		400		412		426	
Average GS grade and salary		8.0	$6,153	7.9	$6,099	7.9	$6,151
01	Personal services:						
	Permanent positions	$2,418,788		$2,513,775		$2,595,275	
	Positions other than permanent	10,094		7,500		7,500	
	Other personal services	4,450		13,725		14,225	
	Total personal services	2,433,332		2,535,000		2,617,000	
02	Travel	89,186		93,000		101,000	
03	Transportation of things	3,751		4,000		4,000	
04	Communication services	36,815		37,000		38,000	
05	Rents and utility services	18,615		12,000		12,000	
06	Printing and reproduction	19,896		22,000		22,000	
07	Other contractual services	16,035		20,000		21,000	
	Services performed by other agencies	3,183		4,000		4,000	
08	Supplies and materials	27,170		28,000		30,000	
09	Equipment	32,385		29,300		30,000	
11	Grants, subsidies, and contributions			158,000		163,300	
13	Refunds, awards, and indemnities	70		200		200	
15	Taxes and assessments	475		500		500	
	Total obligations	2,680,913		2,943,000		3,043,000	

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
"Acreage reserve program," soil bank programs.
"Conservation reserve program," soil bank programs.
"Disaster loans, etc., revolving fund."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$754	$750	$750
Financing:			
Advances and reimbursements from non-Federal sources (5 U. S. C. 61(b) and 40 U. S. C. 481(c))	754	750	750

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$102		
09	Equipment	652	$750	$750
	Total obligations	754	750	750

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the prac-

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tical and efficient work of the Department of Agriculture; $2,660,660: *Provided, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U. S. C. 1001). (5 U. S. C. 511–517; secs. 511–512—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (5 U. S. C. 563–564), apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U. S. C. 520a, 542–1, 543b, 1001, 2131; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$2,660,660** Estimate 1959, **$2,660,660**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General administration	$530,128	$575,920	$575,920
2. Personnel administration and service	586,509	649,104	649,104
3. Budgetary and financial administration and service	576,132	624,445	624,445
4. General operations	529,628	561,346	561,346
5. Administrative management	75,070	87,275	87,275
6. Regulatory hearings and decisions	148,124	151,070	151,070
7. National Agricultural Advisory Commission	10,942	11,500	11,500
Total obligations	2,456,533	2,660,660	2,660,660
Financing:			
Unobligated balance no longer available	43,467		
Appropriation (new obligational authority)	2,500,000	2,660,660	2,660,660

The Office provides overall planning, coordination, and administration of the Department's programs, and supplies certain services on a departmentwide basis.

2. *Personnel administration and service.*—Departmental policies and procedures are promulgated for the personnel management program. The operational phases of this program have been substantially delegated to the agencies. A systematic review is conducted to insure unification thereof and to measure its effectiveness in serving the agencies' personnel management requirements.

3. *Budgetary and financial administration and service.*—This covers the fields of departmental budgetary and financial management, internal audit and related activities; policies and procedures are promulgated, and programs and legislative proposals are evaluated for budgetary, financial, and related implications.

4. *General operations.*—These embrace departmental policies and procedures for real and personal property, and supply management. Administrative services are provided for the Office of the Secretary, and departmental service operations are furnished, including the Department's post office, telephone switchboard, telegraph office, and reproduction and supply services.

5. *Administrative management.*—This covers the areas of organization, paperwork activities (forms, reports, correspondence, and records maintenance and disposition), administrative issuances, and management improvement. Departmental policies and procedures are promulgated, improvement studies are undertaken, and agency administrative management programs are evaluated to insure economical and effective administration.

6. *Regulatory hearings and decisions.*—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the judicial officer. Agriculture Decisions is published monthly.

7. *National Agricultural Advisory Commission.*—Provision is made for the payment of necessary expenses incident to periodic meetings of the National Agricultural Advisory Commission.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	339	340	340
	Full-time equivalent of all other positions	1	1	1
	Average number of all employees	324	334	335
	Number of employees at end of year	323	334	335
	Average GS grade and salary	8.4 $6,392	8.5 $6,454	8.5 $6,463
01	Personal services:			
	Permanent positions	$2,148,711	$2,204,670	$2,210,297
	Positions other than permanent	3,957	5,000	5,000
	Other personal services	8,551	14,642	14,727
	Total personal services	2,161,219	2,224,312	2,230,024
02	Travel	108,797	120,259	121,259
03	Transportation of things	956	3,150	2,150
04	Communication services	34,580	33,700	33,550
05	Rents and utility services	1,277	1,200	1,200
06	Printing and reproduction	73,446	75,111	72,911
07	Other contractual services	10,286	9,450	8,738
	Services performed by other agencies	29,951	24,625	24,125
08	Supplies and materials	20,051	20,312	18,962
09	Equipment	14,074	6,231	5,431
11	Grants, subsidies, and contributions		140,660	140,660
13	Refunds, awards, and indemnities	593	400	400
15	Taxes and assessments	1,303	1,250	1,250
	Total obligations	2,456,533	2,660,660	2,660,660

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation "Mutual security," funds appropriated to the President.

Intragovernmental funds:

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Supply and other central services	$947,873	$1,164,000	$1,154,650
2. Reproduction services	1,031,076	1,118,000	1,111,000
3. Motion picture, photographic, and other visual information services	929,150	978,600	979,100
4. Adjustment of prior year expense	341		
Total operating costs	2,908,440	3,260,600	3,244,750
Depreciation included above (−)	−35,071	−41,805	−47,600
Adjustment of cost included above not requiring financing	3,521		
Total operating costs, funded	2,876,890	3,218,795	3,197,150
Capital outlay:			
1. Supply and other central services: Purchase of equipment	3,379	12,000	2,500
2. Reproduction services: Purchase of equipment and plant facilities	80,393	2,225	
3. Motion picture, photographic, and other visual information services: Purchase of equipment	59,754	50,000	40,000
Total capital outlay	143,526	64,225	42,500
Total program costs, funded	3,020,416	3,283,020	3,239,650
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−44,824	−2,145	−1,939
Total program (obligations)	2,975,592	3,280,875	3,237,711
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	2,972,902	3,262,500	3,246,000
Sale of equipment and inventory	5,157		
Selected working capital assumed—other receipts		7,422	
Adjustment of prior year income	3,242		
Total amounts becoming available	2,981,301	3,269,922	3,246,000
Unobligated balance brought forward	245,974	251,683	240,730
Total amounts available	3,227,275	3,521,605	3,486,730
Unobligated balance carried forward	−251,683	−240,730	−249,019
Financing applied to program	2,975,592	3,280,875	3,237,711

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.

This fund finances on a reimbursable basis certain central services in the Department of Agriculture, including duplicating, photographic, art and graphics, motion picture, tabulating, supply, and Library photocopying services. The capital consists of $400,000 appropriated and $509,605 donated assets, as of June 30, 1957. Earnings are retained to furnish adequate working capital.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$2,480	$1,139	$1,139	$1,100
Inventories, deferred charges, etc	275,193	306,967	308,224	309,324
Unpaid undelivered orders	178,659	103,402	100,000	97,000
Total selected resources at end of year	456,332	411,508	409,363	407,424
Selected resources at start of year (−)		−456,332	−411,508	−409,363
Costs financed from obligations of other years, net (−)		−44,824	−2,145	−1,939

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Supply and other central services program:			
Acquisition of equipment	$3,379	$12,000	$2,500
Expense:			
Purchase of materials	744,647	751,040	751,040
Other expense	211,406	412,760	402,210
Reproduction services program:			
Acquisition of equipment	80,393	2,225	
Expense:			
Purchase of materials	428,762	455,775	450,000
Other expense	602,485	644,494	638,500
Motion picture, photographic, and other visual information services program:			
Acquisition of equipment	59,754	50,000	40,000
Expense:			
Purchase of materials	173,756	173,000	173,500
Other expense	743,705	785,600	783,600
Increase in selected working capital	77,235		
Total gross expenditures	3,125,522	3,286,894	3,241,350
Receipts from operations (funds provided):			
Supply and other central services program:			
Revenue	966,881	1,164,500	1,155,000
Proceeds from sale of equipment	866		
Adjustment of prior year income	3,242		
Reproduction services program:			
Proceeds from sale of equipment	4,291		
Revenue	1,034,658	1,118,000	1,111,000
Motion picture, photographic and other visual information services program:			
Revenue	971,363	980,000	980,000
Selected working capital assumed		7,422	
Decrease in selected working capital		69,115	26,851
Total receipts from operations	2,981,301	3,339,037	3,272,851
Budget expenditures	144,221	−52,143	−31,501

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Supply and other central services program:			
Revenue	$966,881	$1,164,500	$1,155,000
Expense	947,343	1,164,000	1,154,650
Net operating income, supply and other central services program	19,538	500	350
Reproduction services program:			
Revenue	1,034,658	1,118,000	1,111,000
Expense	1,033,740	1,118,000	1,111,000
Net operating income, reproduction services program	918		
Motion picture, photographic and other visual information services program:			
Revenue	971,363	980,000	980,000
Expense	929,150	978,600	979,100
Net operating income, motion picture, photographic, and other visual information services program	42,213	1,400	900

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Nonoperating income:			
Proceeds from sale of assets	$5,157		
Net book value of assets sold (−)	−1,636		
Net gain from sale of assets	3,521		
Net income for year	66,190	$1,900	$1,250
Analysis of retained earnings:			
Retained earnings, beginning of year	27,885	97,137	99,037
Adjustment of prior year expense	3,062		
Retained earnings, end of year	97,137	99,037	100,287

Financial Condition

Assets:			
Cash with Treasury	$264,139	$316,282	$347,783
Accounts receivable, net	447,341	403,383	399,779
Advances	1,139	1,139	1,100
Inventories, deferred charges, etc	306,967	308,225	309,325
Equipment, net	343,551	365,970	360,870
Total assets	1,363,137	1,394,999	1,418,857
Liabilities:			
Current	356,395	378,935	401,543
Government investment:			
Non-interest-bearing capital:			
Principal of fund:			
Start of year	925,098	909,605	917,027
Donated assets, net	−15,493	7,422	
End of year	909,605	917,027	917,027
Retained earnings	97,137	99,037	100,287
Total Government investment	1,006,742	1,016,064	1,017,314

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$408,360	$264,139	$316,282	$347,783
Obligated balance, net:				
Current liabilities	307,837	356,395	378,935	401,543
Unpaid undelivered orders	178,659	103,402	100,000	97,000
Accounts receivable, net (−)	−324,110	−447,341	−403,383	−399,779
Total obligated balance	162,386	12,456	75,552	98,764
Unobligated balance	245,974	251,683	240,730	249,019

Object Classification

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION ACCOUNTS			
	Total number of permanent positions	266	278	278
	Average number of all employees	259	273	273
	Number of employees at end of year	261	276	276
	Average GS grade and salary	6.1 $4,865	6.0 $4,815	6.0 $4,870
	Average salary of ungraded positions	$3,961	$4,098	$4,129
01	Personal services:			
	Permanent positions	$1,170,034	$1,256,938	$1,266,071
	Positions other than permanent	3,111		
	Other personal services	63,586	51,597	43,264
	Excess of annual leave earned over leave taken	533		
	Total personal services	1,237,264	1,308,535	1,309,335
02	Travel	17,412	18,150	18,111
03	Transportation of things	3,860	3,900	3,900
04	Communication services	73,783	183,215	155,165
05	Rents and utility services	178	7,500	7,500
06	Printing and reproduction	15,723	36,900	27,300
07	Other contractual services	162,644	174,400	163,150
	Services performed by other agencies	14,254	15,000	15,000
08	Supplies and materials	1,309,552	1,389,600	1,414,500
09	Equipment	140,235	64,225	42,500
11	Grants, subsidies, and contributions		78,700	80,500
13	Refunds, awards, and indemnities	129	150	150
15	Taxes and assessments	558	600	600
	Total obligations	2,975,592	3,280,875	3,237,711
	Obligations are distributed as follows:			
	Office of the Secretary	$2,023,109	$2,171,475	$2,150,000
	Office of Information	952,483	1,031,100	1,018,461
	Library		78,300	69,250

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ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous services to other accounts:			
Department of Agriculture	$9,604	$15,000	$15,000
Other agencies	7,123	2,720	2,720
Total obligations	16,727	17,720	17,720
Financing:			
Advances and reimbursements from—			
Other accounts	16,268	17,720	17,720
Non-Federal sources (40 U. S. C. 481 (c))	459		
Total financing	16,727	17,720	17,720

Object Classification

Total number of permanent positions		1			
Average number of all employees		1			
Number of employees at end of year		1			
Average GS grade and salary	12.0	$8,645			
01 Personal services: Permanent positions		$13,006		$2,720	$2,720
02 Travel		1,996		15,000	15,000
06 Printing and reproduction		1,225			
07 Other contractual services		41			
09 Equipment		459			
Total obligations		16,727		17,720	17,720

OFFICE OF INFORMATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,367,500, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U. S. C. 417) and not less than two hundred thirty thousand eight hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U. S. C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of $10,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a). *(5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$1,367,500** Estimate 1959, **$1,367,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Publications review and distribution	$635,213	$655,050	$655,050
2. Review and distribution of current agricultural information	480,120	495,950	495,950
3. Review, preparation, and distribution of visual agricultural information	205,241	216,500	216,500
Total obligations	1,320,574	1,367,500	1,367,500
Financing:			
Unobligated balance no longer available	4,426		
Appropriation (new obligational authority)	1,325,000	1,367,500	1,367,500

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, specially affected groups, and to the public the Department's research, action, regulatory, and other programs, using all information media. This work is carried on in close cooperation with the land-grant colleges and with private industries which serve agriculture. The workload is dependent upon the demands from Department programs, direct requests, and legislative requirements.

1. *Publications review and distribution.*—Publications include farmers' bulletins, leaflets, periodicals, scientific, research, and marketing publications, and agricultural statistics.

2. *Review and distribution of current agricultural information.*—The Department's activities require the issuance of about 3,700 periodic crop, price, and market reports and press releases annually. Special information is furnished to national magazines, encyclopedic annuals, and trade publications. Digests, newsletters, and other services are made available to press associations, daily newspapers, and farm publications. Part 2 of the Secretary's annual report, known as the Yearbook of Agriculture, is published by the Office and distributed by Members of Congress. Radio is used to reach farmers locally and to broadcast regular weekly programs on major networks. Television package programs are prepared for use of land-grant colleges and television farm broadcasters. Essential information on Department policies and programs is provided to Washington and field employees by the biweekly issuance of USDA employee news bulletin.

3. *Review, preparation, and distribution of visual agricultural information.*—Motion pictures for the Department and private industries which serve agriculture are produced on a reimbursable basis and distributed through 74 cooperating State film libraries. Still photographs, illustrations, and graphics are similarly produced. News- and general-type photographs of Department programs and activities are available from a centralized library. Exhibits are produced and supplied to State extension workers for their use in State exhibit showings.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	130	132	132
Full-time equivalent of all other positions	1	1	1
Average number of all employees	120	121	121
Number of employees at end of year	130	135	135
Average GS grade and salary	7.3 $5,468	7.4 $5,531	7.4 $5,603
Average salary of ungraded positions	$4,194	$4,229	$4,229
01 Personal services:			
Permanent positions	$650,322	$655,229	$666,800
Positions other than permanent	4,857	5,600	5,600
Other personal services	5,383	7,871	2,850
Total personal services	660,562	668,700	675,250
02 Travel	11,223	11,300	11,300
03 Transportation of things	3,463	3,400	3,400
04 Communication services	73,341	73,500	73,500
06 Printing and reproduction	514,069	514,500	514,500
07 Other contractual services	11,018	11,000	11,500
Services performed by other agencies	26,076	20,500	12,950
08 Supplies and materials	9,557	10,000	10,000
09 Equipment	10,561	10,400	10,400
11 Grants, subsidies, and contributions		43,400	43,900
15 Taxes and assessments	704	800	800
Total obligations	1,320,574	1,367,500	1,367,500

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Conservation reserve program," soil bank programs.
"Acreage reserve program," soil bank programs.
"Great Plains conservation program," Soil Conservation Service.
"Working capital fund, Department of Agriculture."
"Mutual security," funds appropriated to the President.

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OFFICE OF INFORMATION—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Miscellaneous services to other accounts	$506		
2. Review, preparation, and distribution of visual agricultural information	40,391		
Total obligations	40,897		
Financing:			
Advances and reimbursements from—			
Other accounts	36,529		
Non-Federal sources (40 U. S. C. 481 (c) and 7 U. S. C. 1387)	4,368		
Total financing	40,897		

Object Classification

Total number of permanent positions	3				
Average number of all employees	3				
Number of employees at end of year	3				
Average GS grade and salary	7.3	$5,468			
01 Personal services: Permanent positions		$18,529			
02 Travel		354			
03 Transportation of things		71			
06 Printing and reproduction		6,495			
07 Other contractual services		11,414			
08 Supplies and materials		4,034			
Total obligations		40,897			

LIBRARY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, $772,000. *(5 U. S. C. 83, 511–512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.)*

Appropriated 1958, **$772,000** Estimate 1959, **$772,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Agricultural library services (total obligations)	$733,500	$772,000	$772,000
Financing:			
Unobligated balance no longer available	1,500		
Appropriation (new obligational authority)	735,000	772,000	772,000

The Library, a basic unit in the research, extension and regulatory work of the Department and the State agricultural agencies, makes available books, periodicals and other publications containing information on agricultural and allied fields. It contains approximately 1,074,000 volumes, probably the most extensive agricultural collection existing in any country. Its services are used by agricultural colleges and universities, other research and educational institutions throughout the world, individual farmers, and the general public. It serves as the national agricultural library.

During 1957, there were 23,878 volumes and 272,537 separate issues of periodicals added to the collection by purchase, gift, and exchange. During 1957, a total of 1,100,024 loans of books and periodicals were made and 138,173 reference questions were answered. The Bibliography of Agriculture, a comprehensive monthly index to the technical agricultural knowledge of the world, listed a total of 94,690 items.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	139	136	136
Full-time equivalent of all other positions	1	1	1
Average number of all employees	131	127	127
Number of employees at end of year	132	126	126
Average GS grade and salary	5.6 $4.516	5.8 $4,619	5.8 $4.627
01 Personal services:			
Permanent positions	$601,494	$579,800	$582,300
Positions other than permanent	2,146	4,500	2,000
Other personal services	520	2,700	2,700
Total personal services	604,160	587,000	587,000
02 Travel	2,656	2,600	2,600
03 Transportation of things	560	600	600
04 Communication services	14,775	14,800	14,800
06 Printing and reproduction	3,553	3,600	3,600
Binding	27,054	28,000	28,000
07 Other contractual services	23,885	24,000	24,000
Services performed by other agencies	2,064	20,100	20,000
08 Supplies and materials	5,502	5,600	5,600
09 Equipment	48,303	48,000	48,000
11 Grants, subsidies, and contributions		37,000	37,200
13 Refunds, awards, and indemnities	605	600	500
15 Taxes and assessments	383	100	100
Total obligations	733,500	772,000	772,000

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
"Mutual security," funds appropriated to the President.
"Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Agricultural library services (photographic reproductions and other services—includes Departments of Agriculture, Commerce, Defense, Health, Education, and Welfare, Interior, and State) (total obligations)	$115,302	$72,000	$11,600
Financing:			
Advances and reimbursements from—			
Other accounts	80,711	72,000	11,600
Non-Federal sources (5 U. S. C. 552a)	34,591		
Total financing	115,302	72,000	11,600

Object Classification

Total number of permanent positions	21		12		3
Average number of all employees	20		12		3
Number of employees at end of year	22		12		3
Average GS grade and salary	4.5	$3,863	5.0	$4,305	3.7 $3,608
01 Personal services:					
Permanent positions		$77,867		$53,483	$10,825
Other personal services				152	40
Total personal services		77,867		53,635	10,865
03 Transportation of things		83			
04 Communication services		3,596			
06 Printing and reproduction		129		115	
07 Other contractual services		280		350	50
Services performed by other agencies		491		8,875	
08 Supplies and materials		12,721		200	
09 Equipment		19,980		5,400	
11 Grants, subsidies, and contributions				3,300	685
13 Refunds, awards, and indemnities		115		100	
15 Taxes and assessments		40		25	
Total obligations		115,302		72,000	11,600

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FOREST SERVICE

The Service carries on three primary functions: (1) Protection, development, and use of about 181 million acres of land in national forests in the United States, Alaska, and Puerto Rico; and management of land utilization projects covering about 5 million acres; (2) cooperation with States and private forest landowners to obtain better fire protection on approximately 435 million acres of forest lands and better forest practices on about 345 million acres of privately owned commercial timberlands, to encourage reforestation and stimulate development and management of State, county, and community forests; and (3) research for all public and private forest lands and related ranges to improve protection from fire, insects, and diseases; to increase production of timber, forage, water, and other products; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey. These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land exchange, and a number of cooperative projects.

Current authorizations:

Forest Protection and Utilization

For expenses necessary for forest protection and utilization, as follows:

Forest land management: For necessary expenses of the Forest Service, not otherwise provided for, including the administration, improvement, development, and management of lands under Forest Service administration, fighting and preventing forest fires on or threatening such lands and for liquidation of obligations incurred in the preceding fiscal year for such purposes, control of white pine blister rust and other forest diseases and insects on Federal and non-Federal lands; [$68,750,000] *$68,357,000,* of which $5,000,000 for fighting and preventing forest fires and $1,760,000 for insect and disease control shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary under the then existing conditions: *Provided,* That not more than $100,000 may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U. S. C. 513–519): *Provided further,* That funds appropriated for "Cooperative range improvements", pursuant to section 12 of the Act of April 24, 1950 (16 U. S. C. 580h), may be advanced to this appropriation.

Forest research: For forest research at forest and range experiment stations, the Forest Products Laboratory, or elsewhere, as authorized by law; [$11,835,000] *$12,128,000.*

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; [$13,245,000] *$12,195,000.*

[Forest Land Management:] During the current fiscal year not to exceed $50,000 of the funds appropriated under this heading shall be available for the acquisition of sites authorized by the Act of March 3, 1925, as amended (16 U. S. C. 555), without regard to any other limitation on the amount available for this purpose. *(5 U. S. C. 511–512, 524, 565a; 7 U. S. C. 428a, 1010–1012, 1621–1627; 16 U. S. C. 471–583i, 594–1—594–5, 594a; 30 U. S. C. 601–604, 611–615; 31 U. S. C. 534; 43 U. S. C. 1181h–1181j; 36 Stat. 557; Department of the Interior and Related Agencies Appropriation Act, 1958; Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$93,830,000** Estimate 1959, [a] **$92,680,000**

[a] Excludes $100,000 for activities transferred in the estimates to "Management of lands and resources," Bureau of Land Management, Department of the Interior. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Forest land management:			
(a) National forest protection and management	$43,939,053	$57,855,629	$58,752,000
(b) Fighting forest fires	11,577,593	5,000,000	5,000,000
(c) Insect and disease control	5,666,600	5,205,000	5,205,000
(d) Acquisition of lands	99,354	100,000	100,000
Total, forest land management	61,282,600	68,160,629	69,057,000
2. Forest research:			
(a) Forest and range management	5,032,961	5,580,000	5,573,000
(b) Forest protection	1,702,373	2,140,000	2,140,000
(c) Forest products utilization	1,927,133	2,215,000	2,615,000
(d) Forest resources	1,399,566	1,800,000	1,800,000
Total, forest research	10,062,033	11,735,000	12,128,000
3. State and private forestry cooperation:			
(a) Forest fire control	10,021,340	10,043,000	10,043,000
(b) Forest tree planting	1,001,443	1,258,000	258,000
(c) Forest management and processing	994,459	1,510,000	1,510,000
(d) General forestry assistance	156,817	384,000	384,000
Total, State and private forestry cooperation	12,174,059	13,195,000	12,195,000
Total obligations	83,518,692	93,090,629	93,380,000
Financing:			
Comparative transfers to or from (–) other accounts	–83,518,692	100,000	
Advances and reimbursements from other accounts		–735,629	–700,000
Unobligated balance no longer available		1,375,000	
Appropriation (new obligational authority)		93,830,000	92,680,000

1. *Forest land management—(a) National forest protection and management.*—The 149 national forests are protected from fire and their resources are managed in such ways as to bring about full utilization and maximum sustained production. This item also provides for management of land utilization projects, including revegetation and other development work. Funds appropriated under "Cooperative range improvements" are merged with this appropriation for obligational purposes.

MAIN WORKLOAD FACTORS

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Area administered and protected:			
(a) National forest land (acres)	181,068,121	181,000,000	181,000,000
(b) Land utilization projects (acres)	6,945,157	6,900,000	5,000,000
Timber managed and protected (billion board-feet)	765	765	765
Timber sales (number)	31,104	32,000	33,000
Timber harvested (billion board-feet)	7.0	7.0	8.2
Forest fires controlled (number)	11,200	10,000	10,000
Area burned (acres)	137,961	200,000	200,000
Grazing use permits (calendar year)	24,424	24,400	24,400
Estimated number of livestock on national forest ranges (including calves and lambs)	8,000,000	8,000,000	8,000,000
Special use permits, excluding recreation (number)	40,000	42,000	45,000
Recreation special use permits (number)	17,000	18,500	20,000
Estimated number of visitors to national forests (calendar year)	52,500,000	55,000,000	60,000,000
Planted to trees (annual) (acres)	24,013	30,000	40,000
Range reseeding and removal of competing vegetation (annual) (acres)	109,083	120,000	120,000
Receipts:			
Timber sales	$106,872,791	$106,300,000	$123,000,000
Grazing	$2,682,349	$3,000,000	$3,000,000
Land use and power	$2,033,454	$2,300,000	$2,300,000
Land utilization projects	$1,734,666	$1,700,000	$1,200,000
Total receipts	$113,323,260	$113,300,000	$129,500,000

Some increase is included in the budget for construction of improvements. The program to provide recreational facilities for the increasing number of visitors to the

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FOREST SERVICE—Continued

Current authorizations—Continued

FOREST PROTECTION AND UTILIZATION—Continued

national forests (15% in 1957) will go forward in 1959, but at a slower rate than had been anticipated earlier.

(*b*) *Fighting forest fires.*—This provides for employment of additional manpower and other facilities for forest-fire emergencies which cannot be met by the fire-control organization provided under national-forest protection and management.

(*c*) *Insect and disease control.*—Activities to suppress and control destructive insects and diseases that threaten timber areas include two types of work carried on jointly by Federal, State, and private agencies: (1) Surveys on forest lands to detect and appraise infestations of forest insects and infections of tree diseases and determination of protective measures to be taken. (2) Control operations to suppress or eradicate forest insects and diseases, including the white pine blister rust.

(*d*) *Acquisition of lands.*—Lands are acquired to protect the watersheds of navigable streams and to increase the production of timber with the approval of the National Forest Reservation Commission. The present acquisition program is only for purchase of small tracts within the 55 approved purchase areas.

2. *Forest research.*—Research is conducted at nine regional forest experiment stations, the Forest Products Laboratory, and elsewhere.

(*a*) *Forest and range management.*—This research provides private and public land managers and owners with a sound basis for protection and management of timber, range, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage on rangelands for maximum production of livestock without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce flood and sedimentation.

(*b*) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. These investigations provide the technical basis for control and preventive measures, including predictions of fire danger.

(*c*) *Forest products utilization.*—Studies are conducted to develop new and improved forest products, reduction and utilization of waste, and use of low-quality wood and unpopular species. They include studies to reduce costs of logging and wood utilization, and to develop basic knowledge of wood and disseminate this to forest owners, manufacturers, fabricators, and consumers.

(*d*) *Forest resources.*—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, potential need for timber products, and information on production and marketing of forest products.

MAIN WORKLOAD FACTORS

[Acres in millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Initial surveys (annual)	10	15	30
Initial surveys (cumulative)	514	529	559
To be surveyed (total) [1]	270	255	225
Resurveys (annual)	28	35	30
Resurveys (cumulative)	276	311	341

[1] Includes all of Alaska.

3. *State and private forestry cooperation.*—This program, carried on in cooperation with the States, encourages private timber management. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce 90% of all timber cut. The fire-control program applies to all State and private forest lands within the boundaries of organized protection units. The remainder of the program is concentrated on small forest properties in private ownership because they are in greater need of management.

(*a*) *Forest fire control.*—Assistance is furnished 44 States and Hawaii in preventing and suppressing forest fires on private and State owned lands by financial aid, training, procurement of equipment, and a nationwide fire-prevention campaign. About 90% of the 435 million acres of non-Federal ownership are now partially covered. During 1956 the acreage burned on protected areas was 0.41% as against an estimated 11.22% on unprotected lands. Of the total expenditures under this program, 73% is contributed by States and counties, 5% by private owners, and 22% by the Federal Government.

(*b*) *Forest tree planting.*—To encourage woodland owners to reforest unproductive portions of their holdings, and farmers to plant wind barriers around their fields and farmsteads—a total of more than 53 million acres altogether—the States provide planting stock at less than cost. The Federal Government shares the cost of producing the stock with the States and private landowners.

(*c*) *Forest management and processing.*—In cooperation with State foresters, 285 projects in 1,376 counties and parts of 32 others are operated to aid small-woodland owners in applying good management to their timber holdings. In 1956 these projects covered some 38,121 owners and about 3.1 million acres.

(*d*) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

Object Classification

	1957 actual	1958 estimate	1959 estimate
FOREST SERVICE			
Total number of permanent positions	7,665	8,498	8,498
Full-time equivalent of all other positions	3,948	3,877	3,877
Average number of all employees	10,582	11,468	11,468
Number of employees at end of year	14,948	15,652	15,653
Average GS grade and salary	6.6 $5,024	6.7 $5,091	6.7 $5,091
Average salary of ungraded positions	$4,329	$4,405	$4,405
01 Personal services:			
Permanent positions	$34,335,750	$39,951,345	$39,951,345
Positions other than permanent	10,338,404	11,102,649	11,102,649
Other personal services	4,980,733	3,344,882	3,344,882
Total personal services	49,654,887	54,398,876	54,398,876
02 Travel	2,673,937	2,821,000	2,816,000
03 Transportation of things	814,397	778,600	776,600
04 Communication services	619,522	640,100	638,100
05 Rents and utility services	747,212	725,100	650,100
06 Printing and reproduction	434,497	498,800	496,800
07 Other contractual services	4,244,991	3,214,800	3,264,800
Services performed by other agencies	1,879,557	4,435,100	4,410,471
08 Supplies and materials	7,403,641	6,640,850	6,535,150
09 Equipment	2,801,094	2,461,700	2,461,700
10 Lands and structures	1,285,536	2,085,400	3,485,400
11 Grants, subsidies, and contributions		2,636,595	2,742,295
Payments to States	11,100,609	11,930,000	10,930,000
13 Refunds, awards, and indemnities	56,963	41,000	41,000
15 Taxes and assessments	257,211	272,500	272,500
Subtotal	83,974,054	93,580,421	93,919,792
Deduct quarters and subsistence charges	935,246	962,692	1,012,692
Total, Forest Service	83,038,808	92,617,729	92,907,100

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	5	4	4
Full-time equivalent of all other positions	78	82	82
Average number of all employees	83	86	86
Number of employees at end of year	264	239	239
Average GS grade and salary	8.0 $5,325	7.2 $5,071	7.2 $5,180
01 Personal services:			
Permanent positions	$28,624	$23,290	$23,725
Positions other than permanent	307,383	317,088	317,373
Other personal services	20,574	23,307	23,307
Total personal services	356,581	363,685	364,405
02 Travel	11,388	10,850	10,350
03 Transportation of things	1,054	1,150	1,150
04 Communication services	981	1,050	1,200
05 Rents and utility services	4,852	5,490	5,400
07 Other contractual services	57,791	50,580	46,135
08 Supplies and materials	48,018	41,300	43,465
09 Equipment	18,320	17,300	19,300
11 Grants, subsidies, and contributions		945	945
13 Refunds, awards, and indemnities	400		
15 Taxes and assessments	5,203	5,750	5,750
Subtotal	504,588	498,100	498,100
Deduct quarters and subsistence charges	24,704	25,200	25,200
Total, Department of the Interior	479,884	472,900	472,900
Total obligations	83,518,692	93,090,629	93,380,000

Forest Roads and Trails

For expenses necessary for carrying out the provisions of section 23 of the Federal Highway Act approved November 9, 1921, as amended (23 U. S. C. 23, 23a), relating to forest development roads and trails, including the construction, reconstruction, and maintenance of roads and trails on experimental areas under Forest Service administration, [$24,336,000] *$23,099,000,* to remain available until expended: *Provided,* That funds available under the Act of March 4, 1913 (16 U. S. C. 501), shall be merged with and made a part of this appropriation: *Provided further,* That not less than the amount made available under the provisions of the Act of March 4, 1913, shall be expended under the provisions of such Act. *(5 U. S. C. 565a; 16 U. S. C. 526; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$24,336,000** Estimate 1959, **$23,099,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction of roads and trails	$16,018,745	$24,714,764	$24,737,500
2. Maintenance of roads and trails	8,244,541	10,385,600	10,000,000
Total obligations	24,263,286	35,100,364	34,737,500
Financing:			
Unobligated balance brought forward	−599,782	−336,496	−850,000
Advances and reimbursements from other accounts		−11,277,868	−10,788,500
Unobligated balance carried forward	336,496	850,000	
Appropriation (new obligational authority)	24,000,000	24,336,000	23,099,000

Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 124,000 miles of earth or gravel surfaced roads and 116,000 miles of supplemental trails.

The 1959 program will permit the construction of 354 miles of general purpose roads and 644 miles of timber access roads to harvest national forest timber, a total of 998 miles. This compares with 1,134 miles constructed in 1957 and 1,120 being constructed in 1958.

Ten percent of the amounts received annually from national forest activities is available under the permanent appropriation "Roads and trails for States" for construction and maintenance within the State from which such proceeds are derived. Such amounts are included in these schedules for 1958 and 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
FOREST SERVICE			
Total number of permanent positions	1,041	1,558	1,558
Full-time equivalent of all other positions	963	1,625	1,578
Average number of all employees	1,995	3,229	3,183
Number of employees at end of year	3,419	4,796	4,700
Average GS grade and salary	6.6 $5,024	6.7 $5,091	6.7 $5,091
Average salary of ungraded positions	$4,329	$4,405	$4,405
01 Personal services:			
Permanent positions	$4,964,551	$7,706,033	$7,706,033
Positions other than permanent	3,252,369	5,256,731	5,106,731
Other personal services	131,844	194,572	194,572
Total personal services	8,348,764	13,157,336	13,007,336
02 Travel	361,374	474,602	474,600
03 Transportation of things	136,856	161,807	161,800
04 Communication services	107,652	136,332	136,300
05 Rents and utility services	176,369	203,721	203,700
06 Printing and reproduction	69,381	152,688	152,700
07 Other contractual services	1,821,907	2,728,632	2,325,000
Services performed by other agencies	2,101,006	2,967,008	2,527,600
08 Supplies and materials	2,085,668	2,261,284	2,111,300
09 Equipment	543,832	617,251	617,300
10 Lands and structures	5,058,678	7,010,385	7,773,400
11 Grants, subsidies, and contributions	140,316	663,689	684,200
13 Refunds, awards, and indemnities	11,084	8,641	9,000
15 Taxes and assessments	76,874	99,432	99,000
Subtotal	21,039,761	30,642,808	30,283,236
Deduct quarters and subsistence charges	138,605	245,736	245,736
Total, Forest Service	20,901,156	30,397,072	30,037,500
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	105	145	145
Full-time equivalent of all other positions	45	45	45
Average number of all employees	135	176	176
Number of employees at end of year	167	205	205
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$393,971	$583,550	$593,800
Positions other than permanent	151,307	150,000	150,000
Other personal services	49,918	66,350	56,200
Total personal services	595,196	799,900	800,000
02 Travel	121,170	100,000	98,000
03 Transportation of things	1,195	3,000	3,000
04 Communication services	1,171	3,000	4,000
05 Rents and utility services	17,105	40,000	37,000
06 Printing and reproduction	2,487	4,000	2,000
07 Other contractual services	376,787	163,000	156,000
08 Supplies and materials	33,032	90,000	98,000
09 Equipment	1,456	2,000	2,000
10 Lands and structures	2,213,953	3,452,192	3,453,200
11 Grants, subsidies, and contributions		45,400	46,000
15 Taxes and assessments		800	800
Subtotal	3,363,552	4,703,292	4,700,000
Deduct quarters and subsistence charges	1,422		
Total, Bureau of Public Roads	3,362,130	4,703,292	4,700,000
Total obligations	24,263,286	35,100,364	34,737,500

Forest Roads and Trails (Liquidation of Contract Authorization)

Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year	$24,000,000		
Contract authorization (new)	27,000,000	$27,000,000	
Administrative cancellation	−51,000,000	−27,000,000	
Appropriation to liquidate contract authorization			

This program is described under "Forest roads and trails."

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FOREST SERVICE—Continued

Current authorizations—Continued

ACQUISITION OF LANDS FOR NATIONAL FORESTS

CACHE NATIONAL FOREST

For the acquisition of lands within the boundaries of the Cache National Forest, Utah, under the authority of the Act of July 24, 1956 (70 Stat. 632), $50,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$50,000** Estimate 1959, **$50,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Acquisition of lands for Cache National Forest (total obligations)	$46,584	$53,416	$50,000
Financing:			
Unobligated balance brought forward		−3,416	
Unobligated balance carried forward	3,416		
Appropriation (new obligational authority)	50,000	50,000	50,000

Lands are acquired within the Cache National Forest, Utah, to enable control and minimization of soil erosion and flood damage. The 1959 appropriation requested will be the third $50,000 installment under the authorization for $200,000.

Object Classification

	1957 actual	1958 estimate	1959 estimate
10 Lands and structures	$46,584	$53,416	$50,000

SUPERIOR NATIONAL FOREST

For the acquisition of forest land within the Superior National Forest, Minnesota, under the provisions of the Act of June 22, 1948 (62 Stat. 570; 16 U. S. C. 577c–577h), as amended, [$500,000] *$300,000*, to remain available until expended: *Provided*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$500,000** Estimate 1959, **$300,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Acquisition of lands for Superior National Forest (total obligations)	$273,590	$568,090	$500,000
Financing:			
Unobligated balance brought forward	−41,680	−268,090	−200,000
Unobligated balance carried forward	268,090	200,000	
Appropriation (new obligational authority)	500,000	500,000	300,000

Forest lands are acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota. There are still 24 properties used for commercial resort purposes, 66 properties with other improvements, mostly cabins, and 36,700 acres of undeveloped lands, all to be acquired and the improvements dismantled. Through 1958, $1,500,000 of an authorized $2,500,000 has been appropriated.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2	2	2
Average number of all employees	3	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	6.6 $5,024	6.7 $5,091	6.7 $5,091
01 Personal services:			
Permanent positions	$8,937	$15,450	$15,450
Other personal services		50	50
Total personal services	8,937	15,500	15,500
02 Travel	575	500	500
03 Transportation of things	67		
05 Rents and utility services	3		
07 Other contractual services	91		
Services performed by other agencies	278	200	172
08 Supplies and materials	59		
10 Lands and structures	263,580	551,190	483,100
11 Grants, subsidies, and contributions		700	728
Total obligations	273,590	568,090	500,000

SPECIAL ACTS

For the acquisition of land in the Cache National Forest, Utah, Act of May 11, 1938 (52 Stat. 347), as amended, $10,000: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$10,000** Estimate 1959, **$10,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Cache National Forest, Utah (total obligations)	$9,807	$10,000	$10,000
Financing:			
Appropriation (new obligational authority)	9,807	10,000	10,000

On the basis of agreements with certain counties in Utah, national forest receipts, including portions which would normally be paid to county road and school funds, are appropriated for purchase of privately owned lands within the Cache National Forest to aid in the control of soil erosion and flood damage.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1	1	1
Average number of all employees	1	1	1
Number of employees at end of year	0	0	0
Average GS grade and salary	6.6 $5,024	6.7 $5,091	6.7 $5,091
01 Personal services: Permanent positions	$208	$405	$400
02 Travel		80	85
07 Other contractual services	1	15	15
10 Lands and structures	9,598	9,500	9,500
Total obligations	9,807	10,000	10,000

WEEKS ACT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$99,354		
Unobligated balance no longer available	646		
Appropriation (new obligational authority)	100,000		

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Cooperative Range Improvements

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests as authorized by section 12 of the Act of April 24, 1950 (16 U. S. C. 580h), $700,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$700,000** Estimate 1959, **$700,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Advance to "Forest protection and utilization" (total obligations)		$735,629	$700,000
Financing:			
Comparative transfers to other accounts	$707,127		
Unobligated balance brought forward	−42,899	−35,629	
Unobligated balance no longer available (returned to unappropriated receipts)	84		
Unobligated balance carried forward	35,629		
Appropriation (new obligational authority)	699,941	700,000	700,000

Part of the grazing fees from the national forests, when appropriated, are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock-watering facilities, bridges, corrals, and driveways. These funds are advanced to and merged with the appropriation "Forest protection and utilization," subappropriation "Forest land management," and are included there in 1957 for comparative purposes.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services		$735,629	$700,000

[Assistance to States for Tree Planting]

[For expenses necessary to carry out section 401 of the Agricultural Act of 1956, approved May 28, 1956 (70 Stat. 188), $500,000, to remain available until expended.] (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Tree planting assistance (total obligations)		$500,000	
Financing:			
Appropriation (new obligational authority)		500,000	

To carry out section 401 of the Agricultural Act of 1956, assistance was given in 1958 to the State forester or other State official, through technical advice, and financial contribution, to carry out increased tree planting and reforestation work in accordance with plans submitted by the State and approved by the Secretary of Agriculture.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		3	
Average number of all employees		5	
Number of employees at end of year		4	
Average GS grade and salary		6.7 $5,091	

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions		$31,445	
Other personal services		155	
Total personal services		31,600	
02 Travel		4,190	
03 Transportation of things		75	
04 Communication services		100	
07 Other contractual services		290	
Services performed by other agencies		278	
08 Supplies and materials		500	
09 Equipment		125	
11 Grants, subsidies, and contributions		2,000	
Payments to States		460,842	
Total obligations		500,000	

Salaries and Expenses

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$70,638,152		
Unobligated balance no longer available	532,598		
New obligational authority	71,170,750		
New obligational authority:			
Appropriation	$69,670,750		
Transferred from—			
"Acreage allotments and marketing quotas," Commodity Stabilization Service (71 Stat. 13 and 180)	560,000		
"Salaries and expenses," Rural Electrification Administration (71 Stat. 13)	175,000		
"Salaries and expenses," Office of the General Counsel (71 Stat. 13)	70,000		
"Salaries and expenses," Foreign Agricultural Service (71 Stat. 180)	25,000		
"Salaries and expenses," Farmer Cooperative Service (71 Stat. 180)	30,000		
"Marketing research and service," Agricultural Marketing Service (71 Stat. 180)	200,000		
"Conservation operations," Soil Conservation Service (71 Stat. 180)	325,000		
"Salaries and expenses," Farmers' Home Administration (71 Stat. 180)	115,000		
Appropriation (adjusted)	71,170,750		

State and Private Forestry Cooperation

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$12,174,059		
Unobligated balance no longer available	15,941		
Appropriation (new obligational authority)	12,190,000		

General Provisions, Forest Service

Sec. 201. Appropriations available to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [157] *one hundred and twenty* passenger motor vehicles [, of which 132 shall be] for replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [five] *six*, of which four shall be for replacement only; (b) employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in an amount not to exceed $25,000; (c) maintenance, improvement, and construction of aircraft landing fields in, or adjacent to, the national forests, in an amount not to exceed $250,000; (d) uniforms, or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); (e) purchase, erection, and

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FOREST SERVICE—Continued

Current authorizations—Continued

GENERAL PROVISIONS, FOREST SERVICE—Continued

alteration of buildings and other public improvements, but the cost of any such building, exclusive of the cost of constructing a water-supply or sanitary system and of connecting the same with any such building, and exclusive of any tower upon which a lookout house may be erected, shall not exceed $25,000 ($30,000 in Alaska), *except for one building which shall not exceed $80,000: Provided,* That one building may be constructed to serve the purposes of two or more buildings at a cost not to exceed the sum of the limitations for separate buildings: *Provided further,* That any building, the cost of which as improved was $25,000 or more, shall not be improved within any fiscal year by an amount in excess of 5 per centum of such cost (5 U. S. C. 565a) *except that an additional $400,000 may be used for improvements at the Forest Products Laboratory*; and (f) expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U. S. C. 514).

SEC. 202. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated to the Forest Service shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 203. No part of any appropriation to the Forest Service in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

SEC. 204. The Secretary may sell at market value any property located in Yalobusha, Chickasaw, and Pontotoc Counties, Mississippi, administered under title III of the Act of July 22, 1937, and suitable for return to private ownership under such terms and conditions as would not conflict with the purposes of said Act.

SEC. 205. Funds appropriated under this Act shall not be used for acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U. S. C. 513–519, 521), where such land is not within the boundaries of a national forest nor shall these lands or lands authorized for purchase in Sanders County, Montana, be acquired without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations or allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Watershed protection," Soil Conservation Service.
"Flood prevention," Soil Conservation Service.
"Agricultural conservation program."
"Conservation reserve program," soil bank programs.
"Great Plains conservation program."
"Army industrial fund."
"Construction, general," Corps of Engineers, Civil.
"Research and development," Department of the Navy.
"Mutual security," funds appropriated to the President.
"Salaries and expenses, civil defense functions of Federal agencies," Federal Civil Defense Administration.

Permanent authorizations:

EXPENSES, BRUSH DISPOSAL

(Indefinite special account)

Appropriated (est.) 1958, **$4,500,000** Estimate 1959, **$4,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Brush disposal (total obligations)	$4,147,244	$4,960,000	$4,960,000
Financing:			
Unobligated balance brought forward	−2,031,578	−2,675,520	−2,215,520
Advances and reimbursements from other accounts	−1,917,974		
Unobligated balance carried forward	2,675,520	2,215,520	1,755,520
Appropriation (new obligational authority)	2,873,212	4,500,000	4,500,000

Payments made for this purpose by purchasers of national-forest timber are used to dispose of slash and other debris that result from cutting operations (16 U. S. C. 490).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	156	171	171
Full-time equivalent of all other positions	554	735	735
Average number of all employees	749	948	948
Number of employees at end of year	1,358	1,488	1,488
Average GS grade and salary	6.6 $5,024	6.7 $5,091	6.7 $5,091
Average salary of ungraded positions	$4,329	$4,405	$4,405
01 Personal services:			
Permanent positions	$916,701	$985,313	$985,313
Positions other than permanent	1,837,959	2,456,164	2,456,164
Other personal services	164,475	169,923	169,923
Total personal services	2,919,135	3,611,400	3,611,400
02 Travel	18,006	18,800	18,800
03 Transportation of things	22,753	23,225	23,200
04 Communication services	16,063	17,825	17,800
05 Rents and utility services	25,775	27,550	27,500
06 Printing and reproduction	967	1,000	1,000
07 Other contractual services	298,036	287,295	287,300
Services performed by other agencies	331,076	333,077	333,100
08 Supplies and materials	370,138	378,165	375,300
09 Equipment	214,020	210,800	210,800
10 Lands and structures	89,856	129,150	129,200
11 Grants, subsidies, and contributions		75,720	78,600
13 Refunds, awards, and indemnities	5,541	4,126	4,100
15 Taxes and assessments	43,762	50,767	50,800
Subtotal	4,355,128	5,168,900	5,168,900
Deduct quarters and subsistence charges	207,884	208,900	208,900
Total obligations	4,147,244	4,960,000	4,960,000

ROADS AND TRAILS FOR STATES, NATIONAL FORESTS FUND

(Indefinite special account)

Appropriated (est.) 1958, **$10,788,500** Estimate 1959, **$10,788,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction	$9,331,910		
2. Maintenance	1,971,303		
3. Advance to "Forest roads and trails"		$11,277,868	$10,788,500
Total obligations	11,303,213	11,277,868	10,788,500
Financing:			
Unobligated balance brought forward	−393,935	−489,368	
Unobligated balance carried forward	489,368		
Appropriation (new obligational authority)	11,398,646	10,788,500	10,788,500

Of the amounts received annually from national forest activities 10% is available for construction and maintenance of roads and trails within the States from which such proceeds are derived (16 U. S. C. 501). These funds are advanced to and merged with the appropriation "Forest roads and trails."

Object Classification

	1957 actual	1958 estimate	1959 estimate
FOREST SERVICE			
Total number of permanent positions	434		
Full-time equivalent of all other positions	492		
Average number of all employees	1,013		
Number of employees at end of year	1,377		
Average GS grade and salary	6.6 $5,024		
Average salary of ungraded positions	$4,329		
01 Personal services:			
Permanent positions	$2,323,857		
Positions other than permanent	1,540,692		
Other personal services	37,473		
Total personal services	3,902,022		
02 Travel	126,273		
03 Transportation of things	35,052		
04 Communication services	29,148		
05 Rents and utility services	57,976		
06 Printing and reproduction	13,603		
07 Other contractual services	842,099	$11,277,868	$10,788,500
Services performed by other agencies	945,603		

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
FOREST SERVICE—continued			
08 Supplies and materials	$1,337,618		
09 Equipment	132,331		
10 Lands and structures	1,858,076		
13 Refunds, awards, and indemnities	443		
15 Taxes and assessments	32,229		
Subtotal	9,312,473	$11,277,868	$10,788,500
Deduct quarters and subsistence charges	109,500		
Total, Forest Service	9,202,973	11,277,868	10,788,500
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	20		
Full-time equivalent of all other positions	5		
Average number of all employees	19		
Number of employees at end of year	8		
Average GS grade and salary	7.6 $5,648		
Average salary of ungraded positions	$6,103		
01 Personal services:			
Permanent positions	$61,023		
Positions other than permanent	16,250		
Other personal services	3,726		
Total personal services	80,999		
02 Travel	16,361		
03 Transportation of things	179		
04 Communication services	147		
05 Rents and utility services	1,635		
06 Printing and reproduction	905		
07 Other contractual services	71,892		
08 Supplies and materials	53,211		
09 Equipment	428		
10 Lands and structures	1,874,802		
Subtotal	2,100,559		
Deduct quarters and subsistence charges	319		
Total, Bureau of Public Roads	2,100,240		
Total obligations	11,303,213	11,277,868	10,788,500

Other Forest Service Permanent Appropriations

(Indefinite special accounts)

Appropriated (est.) 1958, **$27,586,600** Estimate 1959, **$27,586,600**

NOTE.—The following schedule includes unobligated balances for "Development and improvement of a ranger dwelling, Tonto National Forest."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Forest fire prevention	$19,472	$19,825	$15,000
2. Payment to Minnesota	46,497	48,000	48,000
3. Payments due counties, submarginal land program	490,565	425,000	425,000
4. Payments to school funds, Arizona and New Mexico	129,404	129,400	129,400
5. Payments to States and Territories	28,490,343	26,969,200	26,969,200
Total obligations	29,176,281	27,591,425	27,586,600
Financing:			
Unobligated balance brought forward	−9,357	−4,825	
Unobligated balance carried forward	4,825		
Unobligated balance no longer available	645		
New obligational authority	29,172,394	27,586,600	27,586,600
New obligational authority:			
"Forest fire prevention"	$15,585	$15,000	$15,000
"Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund"	46,497	48,000	48,000
"Payments due counties, submarginal land program, Farm Tenant Act"	490,565	425,000	425,000
"Payments to school funds, Arizona and New Mexico, act of June 20, 1910"	129,404	129,400	129,400
"Payments to States and Territories from the national forests fund"	28,490,343	26,969,200	26,969,200
Appropriation	29,172,394	27,586,600	27,586,600

1. *Forest fire prevention.*—Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary and are available for furthering the nationwide forest fire prevention campaign (66 Stat. 92).

2. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid ¾ of 1% of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and Saint Louis for distribution to these counties (16 U. S. C. 577g).

3. *Payments due counties, submarginal land program.*—Of the revenues received from the use of submarginal lands, 25% is paid to the counties in which such land is situated, for school and road purposes (7 U. S. C. 1012).

4. *Payments to school funds, Arizona and New Mexico.*—The States of Arizona and New Mexico are paid a share of the national-forest receipts for school purposes (36 Stat. 562, 573).

5. *Payments to States and Territories.*—With minor exceptions, 25% of the money received from the national forests is paid to the States and Territories for public schools and roads of the county in which such forests are situated (16 U. S. C. 500).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4	3	3
Average number of all employees	3	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	6.6 $5,024	6.7 $5,091	6.7 $5,091
01 Personal services:			
Permanent positions	$9,187	$6,905	$6,905
Positions other than permanent	477	500	500
Other personal services	268	531	531
Total personal services	9,932	7,936	7,936
03 Transportation of things	2,255	2,225	1,025
06 Printing and reproduction	5,517	5,500	3,200
08 Supplies and materials	1,758	3,664	2,319
11 Grants, subsidies, and contributions	29,156,809	27,572,100	27,572,120
15 Taxes and assessments	10		
Total obligations	29,176,281	27,591,425	27,586,600

Intragovernmental funds:

Working Capital Fund, Forest Service

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Supply service	$491,450	$3,551,551	$3,817,000
Equipment service	2,364,360	9,758,838	10,200,000
Total operating costs	2,855,810	13,310,389	14,017,000
Depreciation included above (−)	−696,297	−2,648,379	−2,915,000
Total operating costs, funded	2,159,513	10,662,010	11,102,000
Capital outlay:			
Supply service	315	12,500	25,000
Equipment service	1,904,852	2,930,574	2,975,000
Total capital outlay	1,905,167	2,943,074	3,000,000
Total program costs, funded	4,064,680	13,605,084	14,102,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−143,620	
Obligations incurred for costs of other years, net	828,892		98,000
Total program obligations	4,893,572	13,461,464	14,200,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of goods and services	2,874,946	13,546,200	14,100,000
Proceeds from sale of equipment	192,318	557,920	400,000
Selected working capital assumed at inception	1,380,502		
Total amounts becoming available	4,447,766	14,104,120	14,500,000
Unobligated balance brought forward		−445,806	196,850
Total amounts available	4,447,766	13,658,314	14,696,850
Unobligated balance carried forward	445,806	−196,850	−496,850
Financing applied to program	4,893,572	13,461,464	14,200,000

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FOREST SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, FOREST SERVICE—Continued

This fund is available, without fiscal year limitation, for financing, on a reimbursable basis or by advance payments in connection with firm orders, various services such as repairing and replacing equipment, stocking and issuing supplies, and operation of photographic and reproduction facilities in support of programs of the Forest Service. These service operations serve concurrently the programs of fire protection, timber utilization, construction and maintenance of roads and other improvements, reforestation, grazing, watershed, forest and forest products research, and kindred conservation activities of the Forest Service, including cooperative assistance with other Federal agencies, States, counties, farmers, forest landowners, and others engaged in the same objectives. The principal of the fund as of June 30, 1957, including donated assets at its inception and retained earnings for fiscal year 1957, is $13,094,994. This amount, together with earnings for 1958 totaling $653,111, plus an estimated amount of assets to be donated during fiscal year 1958 of $1,267,396, represents an estimated $15,015,501 investment of the Government at the end of fiscal year 1958.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Selected resources at end of year:			
Inventories	$828,851	$899,941	$947,941
Unpaid undelivered orders	875,622	700,000	750,000
Total selected resources	1,704,473	1,599,941	1,697,941
Selected resources at start of year (−)	.....	−1,704,473	−1,599,941
Increase or decrease (−) in selected resources	1,704,473	−104,532	98,000
Donated inventories	−873,751	.....	.....
Donated repair parts used	−1,830	.....	.....
Adjustment due to assumption of selected resources during the year	.....	−39,088	.....
Costs financed from obligations of other years, net (−)	.....	−143,620	.....
Obligations incurred for costs of other years, net	828,892	.....	98,000

Sources and Applications of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Equipment and supply service:			
Acquisition of equipment	$1,905,167	$2,943,074	$3,000,000
Expense:			
Cost of commodities and materials purchased	765,724	4,202,196	4,800,000
Other expense	1,347,059	6,491,816	6,350,000
Increase in selected working capital	.....	425,800	300,000
Total gross expenditures	4,017,950	14,062,886	14,450,000
Receipts from operations (funds provided):			
Equipment and supply service:			
Revenue	2,874,946	13,546,200	14,100,000
Proceeds from sale of equipment	192,318	557,920	400,000
Selected working capital absorbed	1,380,502	.....	.....
Decrease in selected working capital	991,950	.....	.....
Total receipts from operations	5 439,716	14,104,120	14,500,000
Budget expenditures	−1,421,766	−41,234	−50,000

Revenue, Expense, and Retained Earnings

Equipment and supply service:			
Revenue	$2,874,946	$13,546,200	$14,100,000
Expense	2,855,810	13,310,389	14,017,000
Net operating income, equipment and supply service	19,136	235,811	83,000

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Nonoperating income:			
Proceeds from sale of equipment	$192,318	$557,920	$400,000
Net book value of equipment sold (−)	−107,066	−140,620	−200,000
Net nonoperating income	85,252	417,300	200,000
Net income for the year	104,388	653,111	283,000
Retained earnings, beginning of year	.....	104,388	757,499
Retained earnings, end of year	104,388	757,499	1,040,499

Financial Condition

Assets:			
Cash with Treasury	$1,421,766	$1,463,000	$1,513,000
Accounts receivable, net	1,500,092	1,399,000	1,199,850
Commodities for sale	828,851	899,941	947,941
Equipment, net	11,836,327	13,218,710	13,353,710
Total assets	15,587,036	16,980,651	17,014,501
Liabilities:			
Current	2,492,042	1,965,150	1,466,000
Government investment:			
Non-interest-bearing capital:			
Start of year	.....	12,990,606	14,258,002
Assets assumed during the year	12,990,606	1,267,396	250,000
End of year	12,990,606	14,258,002	14,508,002
Retained earnings	104,388	757,499	1,040,499
Total Government investment	13,094,994	15,015,501	15,548,501

Status of Certain Fund Balances

Unexpended balance: Cash with Treasury	$1,421,766	$1,463,000	$1,513,000
Obligated balance, net:			
Current liabilities	2,492,042	1,965,150	1,466,000
Unpaid undelivered orders	875,622	700,000	750,000
Accounts receivable, net (−)	−1,500,092	−1,399,000	−1,199,850
Total obligated balance	1,867,572	1,266,150	1,016,150
Unobligated balance	−445,806	196,850	496,850

Object Classification

Total number of permanent positions		425		501		501
Full-time equivalent of all other positions		20		93		133
Average number of all employees		169		664		704
Number of employees at end of year		483		551		561
Average GS grade and salary	6.6	$5,024	6.7	$5,091	6.7	$5,091
Average salary of ungraded positions		$4,329		$4,405		$4,405
01 Personal services:						
Permanent positions		$716,962		$2,705,305		$2,705,305
Positions other than permanent		70,826		346,098		496,098
Other personal services		5,448		21,247		21,247
Total personal services		793,236		3,072,650		3,222,650
02 Travel		30,098		91,260		100,000
03 Transportation of things		42,701		147,050		150,000
04 Communication services		12,906		42,530		45,000
05 Rents and utility services		27,241		66,096		70,000
06 Printing and reproduction		6,493		9,310		10,000
07 Other contractual services		224,076		609,937		730,000
Services performed by other agencies		42,748		184,700		200,000
08 Supplies and materials		1,944,225		4,914,174		5,136,600
09 Equipment		1,768,049		4,101,700		4,300,000
11 Grants, subsidies, and contributions		.....		198,655		207,800
13 Refunds, awards, and indemnities		178		20,847		25,000
15 Taxes and assessments		2,643		7,205		7,600
Subtotal		4,894,594		13,466,114		14,204,650
Deduct quarters and subsistence charges		1,022		4,650		4,650
Total obligations		4,893,572		13,461,464		14,200,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Rental and repair of equipment and sale of supplies, materials, and equipment to other activities of Forest Service; the Departments of Agriculture, Commerce, Interior, Defense, and Post Office; Veterans' Administration; Atomic Energy Commission; and other agencies	$3,926,299	$1,421,116	$1,421,116
2. Construction and maintenance of roads, trails, and other improvements	1,004,477	1,595,000	1,595,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
3. Forest fire protection and suppression	$660, 703	$785, 474	$785, 474
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands	680, 930	1, 146, 390	1, 146, 390
5. Insect and disease control	45, 162	61, 900	61, 900
6. Forest research at experimental forests and ranges	193, 043	242, 412	242, 412
7. Investigations at Forest Products Laboratory	988, 040	1, 208, 366	1, 208, 366
8. Forest resources surveys and investigations	67, 858	109, 173	109, 173
9. Cooperation in forest fire control, forest management and processing and forest tree planting	149, 239	125, 450	125, 450
Total obligations	7, 715, 751	6, 695, 281	6, 695, 281
Financing:			
Advances and reimbursements from—			
Other accounts	7, 054, 369	6, 119, 485	6, 119, 485
Non-Federal sources	661, 382	575, 796	575, 796
Total financing	7, 715, 751	6, 695, 281	6, 695, 281

NOTE.—Reimbursements from non-Federal sources above are primarily for rental of equipment; for sale of equipment, nursery stock, supplies, and materials; and for costs of suppressing forest fires on State and private forest lands adjacent to, or intermingled with, national forests under terms of written cooperative agreements (16 U. S. C. 504a, 572, 580, 580a); sale of personal property (40 U. S. C. 481 (c)).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	441	537	537
Full-time equivalent of all other positions	162	310	310
Average number of all employees	740	825	825
Number of employees at end of year	666	696	696
Average GS grade and salary	6. 6 $5, 024	6. 7 $5, 091	6. 7 $5, 091
Average salary of ungraded positions	$4, 329	$4, 405	$4, 405
01 Personal services:			
Permanent positions	$2, 908. 274	$2, 452, 749	$2, 452, 749
Positions other than permanent	430, 736	939, 358	939, 358
Total personal services	108, 940	262, 882	262, 882
Total personal services	3, 447, 950	3, 654, 989	3, 654, 989
02 Travel	112, 523	154, 637	154, 637
03 Transportation of things	33, 745	40, 710	40, 710
04 Communication services	29, 667	31, 157	31, 157
05 Rents and utility services	68, 888	51, 766	51, 766
06 Printing and reproduction	19, 169	19, 340	19, 340
07 Other contractual services	908, 214	769, 627	769, 627
Services performed by other agencies	903, 142	684, 716	684, 716
08 Supplies and materials	1, 915, 913	1, 019, 018	1, 014, 120
09 Equipment	283, 263	171, 070	171, 070
10 Lands and structures	1, 467		
11 Grants, subsidies, and contributions		122, 362	127, 260
13 Refunds, awards, and indemnities	150	175	175
15 Taxes and assessments	14, 707	16, 949	16, 949
Subtotal	7, 738, 798	6, 736, 516	6, 736, 516
Deduct quarters and subsistence charges	23, 047	41, 235	41, 235
Total obligations	7, 715, 751	6, 695, 281	6, 695, 281

Proposed for later transmission:

FOREST PROTECTION AND UTILIZATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Forest land management: (*b*) Fighting forest fires (total obligations)		$4, 000, 000	
Financing:			
Proposed supplemental appropriation		4, 000, 000	

Under existing legislation, 1958.—A proposed supplemental appropriation in the amount of $4 million is anticipated for fighting forest fires.

GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [552] *466* passenger motor vehicles *of which 462 shall be* for replacement only, and for the hire of such vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U. S. C. 427, 1621–1629), shall be available for contracting in accordance with said Acts.

SEC. 507. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF AGRICULTURE

Appropriation	Motor vehicles to be purchased: Number	Motor vehicles to be purchased: Gross cost	Old vehicles to be exchanged: Number	Old vehicles to be exchanged: Allowance (estimate)	Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses:								
Research	62	$93, 000	62	$12, 400	$80, 600	323	$7, 500	Scientific and technical personnel: For necessary field travel in carrying out research programs on agricultural problems relating to production and utilization of agricultural products, including use of one automobile at National Arboretum in Washington, D. C.
Station wagon	5	9, 750	5	1, 125	8, 625	34		Do.
Ambulance						1		Officials and employees at Plum Island, N. Y., Foot-and-Mouth Research Laboratory: For use of employees who may require ambulance service. No private vehicles allowed on island.
Bus	1	8, 000	1	500	7, 500	4		Officials and employees at Plum Island, N. Y., Foot-and-Mouth Research Laboratory. For use in transporting employees from ferry to laboratory and return. No private vehicles allowed on island.
Plant and animal disease and pest control.	185	277, 500	181	36, 200	241, 300	582	60, 000	Inspection personnel and control supervisors: Transportation to farms, ranches, and other premises in field and urban locations in carrying out plant and animal disease and pest control, including inspection and quarantine work.
Station wagon						4		Do.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF AGRICULTURE—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AGRICULTURAL RESEARCH SERVICE—continued								
Salaries and expenses—Continued								
Meat inspection	4	$6,000	4	$800	$5,200	21	$12,000	Inspection personnel: Transportation to slaughterhouses and meat packing plants in urban centers, including field station in District of Columbia, in carrying out provisions of laws relating to Federal inspection of meat and meat food products.
Working capital fund, Agricultural Research Center.	1	1,500	1	200	1,300	4	----------	Superintendent, engineers, and other officials: Transportation in supervising and inspecting maintenance and operation of agricultural research center and for transporting officials and visiting agricultural leaders to and from various sections of the center.
Total, Agricultural Research Service.	258	395,750	254	51,225	344,525	973	79,500	
SOIL CONSERVATION SERVICE								
Conservation operations	152	225,600	156	35,900	189,700	727	55,000	State and area conservationists, technical specialists, and survey supervisors: Transportation in connection with supervision and inspection of service activities in conservation districts.
Station wagon	1	1,900	1	200	1,700	2	----------	Do.
Watershed protection	3	4,500	3	600	3,900	20	3,500	Project personnel: Transportation for investigation and planning of proposed small watershed projects; surveying and supervising the installation of works of improvement in authorized projects, and for negotiating with local sponsors of the projects; and for investigating the agricultural phases of proposed river basin projects.
Station wagon	----------	----------	----------	----------	----------	37	----------	Do.
Flood prevention	5	7,500	5	750	6,750	53	500	Project personnel: Transportation in connection with surveying and supervising the installation of works of improvement in authorized flood prevention projects.
Station wagon	3	5,800	2	300	5,500	3		
Water conservation and utilization projects.	----------	----------	----------	----------	----------	3	----------	Project personnel: Transportation in connection with the development, operation, and management of the Eden Valley project.
Great Plains conservation program	3	4,500	----------	----------	4,500	6	1,000	Assistant State conservationists: Transportation in connection with supervision and inspection of Service activities in the Great Plains program in the field offices of the Plain States.
Total, Soil Conservation Service.	167	249,800	167	37,750	212,050	851	60,000	
AGRICULTURAL MARKETING SERVICE								
Marketing research and service:								
Marketing research and agricultural estimates.	11	16,500	11	2,750	13,750	51	8,000	Research and technical specialists: For use in supervising, directing and carrying out research programs on agricultural problems. Field statisticians: Transportation to and from important agricultural areas in the preparation of crop and livestock estimates.
Marketing services	23	34,500	23	5,750	28,750	98	43,000	Market news reporters: For use in gathering and disseminating news of market conditions for various farm crops and livestock. Inspectors and graders: For inspection, classing and grading of farm products, including work required under the Cotton, Tobacco, Naval Stores, and Grain Standards Acts. Marketing specialists, inspectors and graders: Transportation to and from warehouses, stockyards, markets, railroad yards, piers, and other places for licensing or registration, supervision of operations of licensees to assure compliance, collection of samples for testing, and handling of violations with respect to the administration of the United States Warehouse, Federal Seed, Packers and Stockyards, and Naval Stores Acts.
Station wagon	----------	----------	----------	----------	----------	4	----------	Market News reporters and clerks: For transportation of personnel and material in conducting Tobacco Market News program. Cotton field representatives: For transportation of personnel and material in carrying out classing and market information programs.
Expenses and refunds, inspection and grading of farm products.	11	16,500	11	2,750	13,750	88	47,000	Inspectors and graders: For use in inspecting and grading farm and food products—paid from funds advanced by producers for which services are performed.
Perishable Agricultural Commodities Act fund.	----------	----------	----------	----------	----------	----------	7,000	Marketing specialists: Transportation to and from offices of produce dealers and truckers in investigating complaints and violations and checking establishments for compliance with license provisions under Perishable Agricultural Commodities and Produce Agency Act—paid from license fees collected.
Total, Agricultural Marketing Service.	45	67,500	45	11,250	56,250	241	105,000	
FOREIGN AGRICULTURAL SERVICE								
Salaries and expenses	----------	----------	----------	----------	----------	----------	950	Administrator and other officials, for Foreign Agricultural Service: Transportation to and from official conferences and meetings in Washington, D. C., with Members of Congress, U. S. Government officials, and officials of international organizations and of foreign governments; trips to and from embassies of foreign governments for visaing of passports; transportation of foreign trainees. Messengers: Delivery of special or classified mail in the Washington area.
Removal of surplus agricultural commodities: Station wagon.	----------	----------	----------	----------	----------	----------	575	Do.
Technical cooperation, general executive (transfer to Agriculculture).	----------	----------	----------	----------	----------	----------	575	Do.
Total, Foreign Agricultural Service.	----------	----------	----------	----------	----------	----------	2,100	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF AGRICULTURE—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
COMMODITY STABILIZATION SERVICE								
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.						2	$1,470	Area office directors and field representatives: For travel within Puerto Rico in connection with agricultural conservation, sugar, and other assigned duties.
FARMERS' HOME ADMINISTRATION								
Salaries and expenses	6	$9,000	6	$1,500	$7,500	23	[1] 9,500	State directors and other field officials: Transportation in assisting and advising county supervisors in the investigation of applications, making of loans, rendering farm management assistance to borrowers, and collecting and servicing loans under the various loan programs.
OFFICE OF THE SECRETARY								
Salaries and expenses	1	1,500	1	500	1,000		[1] 1,000	The Secretary of Agriculture, under secretary, the assistant secretaries, and members of their immediate staffs, as well as the heads and other responsible officials of the staff offices which comprise the Office of the Secretary: For transportation in the District of Columbia.
FOREST SERVICE								
Working capital fund	116	168,200	116	23,200	145,000	517	[2] 81,000	Forest rangers, forest supervisors, regional foresters, and directors and other field officers: For use in the protection, management, utilization, and development of national forests, and in the management of land utilization projects; transportation in connection with forest pest control activities in the field; for use at research center experimental forests and ranges on field research projects and forest survey; travel in connection with improving forest practices on private forest lands; used in directing and inspecting road construction and maintenance.
Station wagon	4	7,100	4	1,200	5,900	51		Do.
Bus						1		Do.
Total, Forest Service	120	175,300	120	24,400	150,900	569	81,000	
Total, Department of Agriculture.	[3] 597	898,850	593	126,625	772,225	2,659	339,570	

[1] Includes $500 estimated for payments other than to motor pools.
[2] Includes $1,000 estimated for payments to other than motor pools.
[3] Includes 11 vehicles to be purchased from funds advanced by producers for whom services are performed. (See item above for "Expenses and refunds, inspection and grading of farm products.")

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

DEPARTMENT OF AGRICULTURE

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		New cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses: Research						3	$6,000	Technical employees: For experimentation and development of improved equipment and methods for spraying and dusting crops and for fertilizing, seeding, and performing other agricultural operations with airplanes.
Plant and animal disease and pest control.	2	$34,000	1	$3,000	$31,000	4	8,000	Pest control technicians: For demonstrating use of special equipment for suppression of destructive insects attacking crops; and when not otherwise engaged, for supplementing contract aircraft in control operations.
Total, Agricultural Research Service.	2	34,000	1	3,000	31,000	7	14,000	
FOREST SERVICE								
Forest protection and utilization: Forest land management	6	320,000	4	25,000	295,000	27	180,000	Forest Service administrative personnel and fire fighters: Transportation of men and supplies, including smokejumpers, to inaccessible areas for reconnaissance and suppression of large fires, and for detection services in remote areas. Also for pest control in locating incipient outbreaks of forest insect pests and in appraising the scope and seriousness of infestations in forested areas, and directing and evaluating effectiveness of control operations.
Total, Department of Agriculture.	8	354,000	5	28,000	326,000	34	194,000	

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DEPARTMENT OF COMMERCE

New obligational authority recommended for 1959 for the Department of Commerce totals $951 million, an increase of $249 million over 1958. Expenditures are estimated to rise from $652 million in 1958 to $803 million in 1959.

The major increases are to continue the expansion of the Federal airways system and the modernization of the merchant fleet. A substantial, though smaller, increase is needed for the periodic censuses. Transportation and related programs represent about 90% of the total new obligational authority requested.

Economic and technical development.—The recommendations for 1959 include, under proposed legislation, an additional $10 million in new obligational authority needed to complete the Inter-American Highway.

Promotion of science and research.—New obligational authority and expenditures for the National Bureau of Standards and the Bureau of the Census will rise in 1959. Additional emphasis will be placed on programs of basic research directed at improving the national standards of physical measurement. Additional funds will also be required to collect and process data for the 1958 census of business, manufactures, and mineral industries and to prepare for the 1960 decennial census of population, housing, and agriculture.

Promotion of water transportation.—An appropriation of $120 million for ship operating subsidies is recommended for 1959, an increase of $20 million over 1958. Expenditures in 1959 will also amount to $120 million, about the same as in 1958.

The new obligational authority recommended for 1959 includes $160 million for ship construction subsidies. This is another installment in the program to schedule orderly replacement of the large bloc of ships, now in operation, which were built during the war years, 1942–45. Only $3 million was appropriated in 1958 for ship construction, but the availability of unobligated funds from prior years will enable the program to proceed at about the same level as now proposed for 1959.

Other maritime programs will continue in the budget year at about the current level.

Provision of highways.—The Federal-aid highway program is financed from the highway trust fund, and contract authorizations and expenditures for this program are, therefore, not included in budget totals. In 1959 it is proposed to transfer the financing of the Department's forest and public lands highways programs to the highway trust fund, since these highways are in most instances on the Federal-aid highway systems. Accordingly, beginning with 1959, the contract authorizations and expenditures for these programs are not included in budget totals.

Budget expenditures of the Department, for highways, in 1959 will, therefore, be confined to the Woodrow Wilson Memorial Bridge over the Potomac and other miscellaneous programs, none of which requires new obligational authority.

Promotion of aviation.—New obligational authority and expenditures for the Civil Aeronautics Administration will rise substantially in 1959, reflecting continued progress on the program to increase traffic handling capacity and to make other needed improvements on the airways system to accommodate growing traffic and the operation of commercial jet aircraft. To increase economy and efficiency of operations, the Departments of Commerce and Defense will expand joint use of certain facilities, such as long-range radar.

The new obligational authority recommended for the Civil Aeronautics Administration in 1959 includes $175 million for the installation of new facilities and $230 million for operation and maintenance of the airways system, enforcement of safety regulations, and administration of the Federal airport program. Legislation is being recommended to initiate a program of airways user charges, which will partly offset the cost of maintaining and operating the domestic airways system for civil users.

The 1959 appropriation recommended for air carrier subsidy payments by the Civil Aeronautics Board is $40.75 million, an increase of $3.5 million over the 1958 appropriation.

Other aids to business.—These include programs for promoting foreign trade, providing informational and statistical services to business, conducting industrial mobilization activities, granting patents, preparing aeronautical and nautical charts, establishing geodetic controls, and preparing analyses of business trends. In general, the funds requested in this budget will permit these activities to go forward at about the 1958 level. An increase is recommended, however, for the Business and Defense Services Administration, primarily to finance a new program expected to be initiated in 1958 for making foreign scientific and technical documents more readily available to United States science and industry. Additional funds will also strengthen the industry divisions and make technical and marketing information, available within the Government, more accessible to small business.

Regulation of commerce and finance.—Additional funds are recommended for administrative expenses of the Civil Aeronautics Board in order to meet its most pressing problems in the route, rate, and safety areas. The 1959 recommendations also include, under proposed legislation, new obligational authority to continue the export control program at the current level.

Civilian weather services.—New obligational authority and expenditures of the Weather Bureau will increase somewhat in 1959, primarily to install and maintain new meteorological equipment.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
International affairs and finance:						
152 Economic and technical development		$12,000	$10,000	$14,703	$25,000	$25,000
Labor and welfare:						
215 Promotion of science, research, libraries, and museums	$20,442	22,010	35,715	23,709	18,887	36,756
Commerce and housing:						
511 Promotion of water transportation	242,910	121,479	298,104	179,848	167,284	190,417
512 Provision of highways	55,115	32,000		39,607	37,968	7,064
513 Promotion of aviation	294,625	421,806	512,450	219,005	313,577	443,923
518 Other aids to business	44,554	45,410	45,305	40,048	42,893	49,397
519 Regulation of commerce and finance	7,519	8,549	9,160	7,466	8,425	9,078
Total, commerce and housing	644,724	629,246	865,019	485,973	570,147	699,879
General government:						
607 Civilian weather services	37,900	38,580	40,275	38,030	38,301	41,455
Total, Department of Commerce	703,065	701,836	951,009	562,414	652,336	803,090

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
GENERAL ADMINISTRATION							
Current authorizations:							
Salaries and expenses	518	$2,608,400	$2,695,200	$2,745,000	$2,492,870	$2,684,745	$2,700,000
Public enterprise funds:							
Aviation war risk insurance revolving fund	513						−6,000
Intragovernmental funds:							
Working capital fund	518				−6,693	−26,833	5,300
Advances and reimbursements	518				−10,425	2,000	−600
Total, general administration		2,608,400	2,695,200	2,745,000	2,475,752	2,659,912	2,698,700
BUREAU OF THE CENSUS							
Current authorizations:							
Salaries and expenses	215	7,468,300	7,881,800	8,920,000	7,410,167	7,800,000	8,750,000
1958 censuses of business, manufactures, and mineral industries	215	150,000	1,000,000	7,300,000	96,003	900,000	7,135,000
Eighteenth decennial census	215		3,250,000	7,000,000		2,900,000	6,615,000
Census of governments	215	1,750,000		395,000	810,584	824,416	486,000
Census of agriculture	215				1,110,402	47,020	
Censuses of business, manufactures, and mineral industries	215				1,642,172	129,613	25,000
National housing inventory	215	1,000,000			991,241		
Total, Bureau of the Census		10,368,300	12,131,800	23,615,000	12,060,569	12,601,049	23,011,000
CIVIL AERONAUTICS ADMINISTRATION							
Current authorizations:							
Operation and regulation	513	136,804,000	181,747,800	230,000,000	131,529,660	174,000,000	220,000,000
Establishment of air-navigation facilities	513	75,000,000	124,603,525	175,000,000	23,587,786	55,000,000	120,000,000
Grants-in-aid for airports (liquidation of contract authorization)	513	(30,000,000)	(25,000,000)	(30,000,000)	9,355,733	30,144,267	45,500,000
Operation and maintenance, Washington National Airport	513	1,500,000	1,566,000	2,500,000	1,446,118	1,554,000	2,100,000
Construction, Washington National Airport	513		250,000		746,071	1,716,000	509,000
Operation and maintenance of public airports, Territory of Alaska	513	618,000	700,000	1,200,000	620,285	697,000	1,000,000
Air navigation development	513	1,500,000	211,140		1,113,409	438,327	
Construction and development, additional Washington airport	513		12,500,000			2,000,000	8,000,000
Grants-in-aid for airports, Federal Airport Act	513				11,273,376	10,000,000	6,000,000
Claims, Federal Airport Act	513				18,006	280,810	70,000
Construction of public airports, Territory of Alaska	513				32,206	51,889	
Civilian pilot training	513					8	
Land acquisition, additional Washington airport	513	3,136			3,136		
Preliminary planning and survey	513				257		
Permanent authorizations:							
Grants-in-aid for airports (contract authorization)	513	63,000,000	63,000,000	63,000,000			
Intragovernmental funds:							
Advances and reimbursements	513				275,405	26,811	
Total, Civil Aeronautics Administration		278,425,136	384,578,465	471,700,000	180,001,448	275,909,112	403,179,000
CIVIL AERONAUTICS BOARD							
Current authorizations:							
Salaries and expenses	519	4,625,000	5,489,400	6,100,000	4,651,157	5,374,211	6,059,400
Payments to air carriers	513	16,200,000	37,228,000	40,750,000	39,003,334	37,668,306	40,750,000
Total, Civil Aeronautics Board		20,825,000	42,717,400	46,850,000	43,654,491	43,042,517	46,809,400
COAST AND GEODETIC SURVEY							
Current authorizations:							
Salaries and expenses	518	10,941,000	11,550,000	11,750,000	10,805,669	11,224,445	11,575,000
Construction of a surveying ship	518	3,700,000	2,400,000		20,534	750,000	4,580,000
Construction and equipment, geomagnetic station	518				50,302	1,698	
Total, Coast and Geodetic Survey		14,641,000	13,950,000	11,750,000	10,876,505	11,976,143	16,155,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUSINESS AND DEFENSE SERVICES ADMINISTRATION							
Current authorizations:							
Salaries and expenses	518	$6,945,000	$5,682,000	$7,650,000	$6,783,303	$5,738,625	$7,500,000
Intragovernmental funds:							
Advances and reimbursements	518				26,485	3,500	
Proposed for later transmission (under existing legislation):							
Salaries and expenses	518		300,000			280,000	20,000
Total, Business and Defense Services Administration		6,945,000	5,982,000	7,650,000	6,809,788	6,022,125	7,520,000
OFFICE OF AREA DEVELOPMENT							
Current authorizations:							
Salaries and expenses	518		395,000	395,000		382,000	395,000
BUREAU OF FOREIGN COMMERCE							
Current authorizations:							
Salaries and expenses	518	2,400,000	2,353,250	2,448,000	2,320,560	2,350,000	2,440,000
Export control	519	2,894,000	3,060,000		2,814,476	3,050,761	118,500
Proposed for later transmission (under proposed legislation):							
Export control	519			3,060,000			2,900,000
Total, Bureau of Foreign Commerce		5,294,000	5,413,250	5,508,000	5,135,036	5,400,761	5,458,500
OFFICE OF BUSINESS ECONOMICS							
Current authorizations:							
Salaries and expenses	518	960,000	1,035,000	1,317,000	951,952	1,030,220	1,275,000
Intragovernmental funds:							
Advances and reimbursements	518				−6,060	−940	7,000
Total, Office of Business Economics		960,000	1,035,000	1,317,000	945,892	1,029,280	1,282,000
MARITIME ACTIVITIES							
Current authorizations:							
Ship construction	511	100,700,000	3,000,000	160,000,000	28,105,433	34,000,000	55,000,000
Ship construction (liquidation of contract authorization)	511				5,904,479	1,000,000	
Operating-differential subsidies	511	124,000,000	35,000,000	120,000,000	108,292,274	120,392,409	120,000,000
Reappropriation	511		65,000,000				
Salaries and expenses	511	15,350,000	15,425,000	15,050,000	15,826,957	15,000,000	14,950,000
Maritime training	511	2,200,000	2,394,300	2,394,000	2,196,577	2,385,000	2,385,000
State marine schools	511	660,000	660,000	660,000	543,136	710,000	630,000
War Shipping Administration liquidation	511				2,846,630	2,100,000	1,900,000
Repair of reserve fleet vessels (liquidation of contract authorization)	511				906,736	823,268	
Construction fund	511				32,312		
Repair of reserve fleet facilities	511				43,092		
Vessel operations functions	511				21,202		
Public enterprise funds:							
Federal ship mortgage insurance fund	511				−326,698	−368,700	926,650
Vessel operations revolving fund	511				16,927,038	−8,609,323	−4,571,500
War risk insurance revolving fund	511				−112,178	−210,494	−175,640
Total, maritime activities		242,910,000	121,479,300	298,104,000	181,206,990	167,222,160	191,044,510
INLAND WATERWAYS CORPORATION							
Public enterprise funds:							
Inland Waterways Corporation fund	511				−1,358,817	62,071	−627,555
Limitation on administrative expenses, Inland Waterways Corporation	511	(14,000)	(4,500)	(2,500)			
PATENT OFFICE							
Current authorizations:							
Salaries and expenses	518	17,000,000	19,000,000	19,000,000	16,619,193	18,473,462	18,900,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUREAU OF PUBLIC ROADS							
Current authorizations:							
Federal aid highways (trust fund) (liquidation of contract authorization)		($1,050,000,000)	($1,690,000,000)	($2,350,000,000)			
Forest highways (trust fund) (liquidation of contract authorization)				(30,000,000)			
Public lands highways (trust fund) (liquidation of contract authorization)				(2,692,000)			
Inter-American Highway	152		12,000,000		$14,703,046	$25,000,000	$25,000,000
Forest highways (liquidation of contract authorization)	512	(23,000,000)	(25,000,000)		21,502,050	26,779,403	
Public lands highways (liquidation of contract authorization)	512	(1,900,000)	(3,033,000)		1,911,363	3,761,164	
Woodrow Wilson Memorial Bridge	512	14,325,000			4,822	1,000,000	5,260,000
Reimbursement to the highway fund, District of Columbia	512	200,000				200,000	
Construction, operation, and maintenance of roads, Alaska:							
Appropriation	512	8,590,058			14,581,056	4,418,713	580,000
Liquidation of contract authorization	512	(2,834,942)					
Access roads (act of Sept. 7, 1950)	512				1,231,785	1,600,000	1,023,987
Elimination of grade crossings	512				189,011	80,142	50,000
Surveys and plans	512				96,937	128,389	150,000
Tongass Forest highways, Alaska	512				7,461		
War and emergency damage, Territory of Hawaii	512				82,500		
Permanent authorizations:							
Forest highways (contract authorization)	512	30,000,000	30,000,000				
Public lands highways (contract authorization)	512	2,000,000	2,000,000				
Proposed for later transmission (under proposed legislation):							
Inter-American Highway	152			10,000,000			
Total, Bureau of Public Roads		55,115,058	44,000,000	10,000,000	54,310,031	62,967,811	32,063,987
NATIONAL BUREAU OF STANDARDS							
Current authorizations:							
Expenses	215	8,693,300	9,428,250	11,500,000	8,082,228	9,200,000	11,187,000
Plant and equipment	215	450,000	450,000	600,000	933,290	645,000	500,000
Construction of facilities	215	930,000			589,965	250,000	90,035
Other miscellaneous accounts	215				94,803	13,912	
Intragovernmental funds:							
Working capital fund	215				1,845,688	−4,058,089	1,968,158
Advances and reimbursements	215				101,978	235,392	
Total, National Bureau of Standards		10,073,300	9,878,250	12,100,000	11,647,952	6,286,215	13,745,193
WEATHER BUREAU							
Current authorizations:							
Salaries and expenses	607	35,400,000	37,980,100	40,000,000	36,047,675	36,702,000	38,800,000
Establishment of meteorological facilities	607	2,500,000	600,000	275,000	1,146,170	1,600,000	2,500,000
Intragovernmental funds:							
Advances and reimbursements	607				835,787	−1,000	155,000
Total, Weather Bureau		37,900,000	38,580,100	40,275,000	38,029,632	38,301,000	41,455,000
Total new obligational authority and budget expenditures		703,065,194	701,835,765	951,009,000	562,414,462	652,335,618	803,089,735
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$608,065,194	$541,535,765	$874,949,000			
Appropriations to liquidate contract authorizations		(57,734,942)	(53,033,000)	(30,000,000)			
Reappropriations			65,000,000		$562,414,462	$652,055,618	$800,169,735
Permanent authorizations:							
Contract authorizations		95,000,000	95,000,000	63,000,000			
Proposed for later transmission:							
Appropriations			300,000	13,060,000		280,000	2,920,000
Total new obligational authority and budget expenditures		703,065,194	701,835,765	951,009,000	562,414,462	652,335,618	803,089,735

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
GENERAL ADMINISTRATION										
Aviation war risk insurance fund	513	----------	----------	$5	----------	----------	$11	----------	----------	−$6
MARITIME ACTIVITIES										
Federal ship mortgage insurance fund, revolving fund	511	----------	$680	3,525	$327	$1,049	2,598	−$327	−$369	927
Vessel operations revolving fund	511	$45,584	18,256	13,431	28,657	26,865	18,002	16,927	−8,609	−4,572
War risk insurance revolving fund	511	48	109	17	160	319	193	−112	−210	−176
INLAND WATERWAYS CORPORATION										
Inland Waterways Corporation fund	511	15	740	44	1,374	678	672	−1,359	62	−628
Total, public enterprise funds	------	45,647	19,785	17,022	30,518	28,911	21,476	15,129	−9,126	−4,454

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
GENERAL ADMINISTRATION											
Current authorizations:											
Salaries and expenses		$102		$115		$126	$2,745	$2,576	$124		$171
Intragovernmental funds:											
Advances and reimbursements		17		14		12					12
Working capital fund	$154	178	$191	147	$129	116			5	$95	[1] 100
Public enterprise funds:											
Aviation war risk insurance revolving fund								−6		6	6
Defense production guaranties	6	6	6	6							
Total, general administration	160	303	197	282	129	254	2,745	2,570	129	101	289
BUREAU OF THE CENSUS											
Current authorizations:											
Salaries and expenses		118		189		271	8,920	8,529	221		441
1958 censuses of business, manufactures, and mineral industries			47	54		154	7,300	7,090	45		319
Eighteenth decennial census						350	7,000	6,530	85		735
Census of governments			915	939	90	115	395	371	115		24
Census of agriculture	1,818	2,126		47							
Censuses of business, manufactures, and mineral industries	737	897	166	155		25			25		
Intragovernmental funds:											
Advances and reimbursements											
Total, Bureau of the Census	2,555	3,141	1,128	1,384	90	915	23,615	22,520	491		1,519
CIVIL AERONAUTICS ADMINISTRATION											
Current authorizations:											
Operation and regulation		6,972		11,952		19,700	230,000	201,170	18,830		29,700
Establishment of air-navigation facilities	17,531	25,547	16,866	77,003	35,470	146,607	175,000	26,700	93,300	67,970	201,607
Grants-in-aid for airports (permanent contract authorization)	33,294	42,500	58,803	96,144	60,553	129,000	63,000		45,500	50,553	146,500
Operation and maintenance, Washington National Airport		77		126		138	2,500	1,962	138		538
Construction, Washington National Airport	2,782	2,959	1,098	2,213		747			509		238
Operation and maintenance of public airports, Territory of Alaska		43		33		36	1,200	964	36		236
Air navigation development		255		1,382							
Construction and development, additional Washington airport						10,500			8,000		2,500
Grants-in-aid for airports	14,631	33,591	6,991	22,318		12,318			6,000		6,318
Claims, Federal Airport Act	142	527	11	351		70			70		
Construction of public airports, Territory of Alaska	80	84	9	52							
Land acquisition, additional Washington airport	−3										
Intragovernmental funds:											
Advances and reimbursements		92		27							
Total, Civil Aeronautics Administration	68,457	112,647	83,778	211,601	96,023	319,116	471,700	230,796	172,383	118,523	387,637
CIVIL AERONAUTICS BOARD											
Current authorizations:											
Salaries and expenses		292		225		339	6,100	5,720	339		380
Payments to air carriers	17,099	23,244	1,853	440	−1,692		40,750	40,750		−3,581	
Total, Civil Aeronautics Board	17,099	23,536	1,853	665	−1,692	339	46,850	46,470	339	−3,581	380
COAST AND GEODETIC SURVEY											
Current authorizations:											
Salaries and expenses		583		724		1,050	11,750	10,640	935		1,225
Construction of a surveying ship			3,679	3,679	109	5,329			4,580		749
Construction and equipment, geomagnetic station	19	53		2							
Total, Coast and Geodetic Survey	19	636	3,679	4,405	109	6,379	11,750	10,640	5,515		1,974

[1] Excludes capital transfer in 1959 of $11 thousand.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
BUSINESS AND DEFENSE SERVICES ADMINISTRATION											
Current authorizations:											
Salaries and expenses		$446		$557		$500	$7,650	$7,000	$500		$650
Proposed for later transmission:											
Salaries and expenses						20			20		
Intragovernmental funds:											
Advances and reimbursements	$25	30		4							
Total, Business and Defense Services Administration	25	476		561		520	7,650	7,000	520		650
OFFICE OF AREA DEVELOPMENT											
Current authorizations:											
Salaries and expenses						13	395	382	13		13
BUREAU OF FOREIGN COMMERCE											
Current authorizations:											
Salaries and expenses		156		188		191	2,448	2,278	162		199
Export control		101		117		126			119		7
Proposed for later transmission:											
Export control							3,060	2,900			160
Total, Bureau of Foreign Commerce		257		305		317	5,508	5,178	281		366
OFFICE OF BUSINESS ECONOMICS											
Current authorizations:											
Salaries and expenses		58		68		73	1,317	1,202	73		115
Intragovernmental funds:											
Advances and reimbursements			$3	6	$3	7			7		
Total, Office of Business Economics		58	3	74	3	80	1,317	1,202	80		115
MARITIME ACTIVITIES											
Current authorizations:											
Ship construction	78,993	135,588	161,764	208,182	19,313	177,182	160,000	3,000	52,000	$18,313	282,182
Operating-differential subsidies	4,685	4,685	20,392	20,392			120,000	120,000			
Salaries and expenses		892		346		771	15,050	13,725	1,225		871
Maritime training		188		263		272	2,394	2,170	215		281
State marine schools		59		156		106	660	535	95		136
War Shipping Administration liquidation		6,583		9,998		7,898			1,900		5,998
Repair of reserve fleet vessels	827	1,730	460	823							
Contract authorization	7,000	7,000	7,000	7,000							
Construction fund				92		92					92
Repair of reserve fleet facilities		44									
Ship construction (liquidation of contract authorization)	4,963	13,336	7,357	7,432							
Vessel operations functions				106		106					106
Public enterprise funds:											
Federal ship mortgage fund	148	148	475	475	844	844			927	2,917	2,917
Vessel operations revolving fund	26,926	24,038	3,767	7,208	15,379	15,817			−4,571	16,656	17,388
War risk insurance revolving fund	233	235	377	346	609	557			−176	766	733
Total, maritime activities	123,775	194,526	201,592	262,819	36,145	203,645	298,104	139,430	51,615	38,652	310,704
INLAND WATERWAYS CORPORATION											
Public enterprise funds:											
Inland Waterways Corporation fund	4,059	3,973	4,753	5,332	5,421	5,270			−628	6,086	5,898
PATENT OFFICE											
Current authorizations:											
Salaries and expenses		1,543		1,373		1,900	19,000	17,000	1,900		2,000

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
BUREAU OF PUBLIC ROADS											
Current authorizations:											
Federal-aid highways (liquidation of contract authorization)	$3	$130									
Federal-aid highways (contract authorization)	1,939,233	3,100,084									
Forest highways (liquidation of contract authorization)	11	1,281		$2,779		$1,000					(2)
Forest highways (contract authorization)	22,069	39,250	$27,997	46,250	$29,997	51,250					(2)
Public lands highways (liquidation of contract authorization)		740		728							
Public lands highways (contract authorization)	3,323	3,625	1,570	3,725	40	2,692					(2)
Inter-American Highway	30,147	64,227	6,583	49,524	700	36,524			$25,000		$11,524
Reimbursement to the highway fund, District of Columbia			200	200							
Woodrow Wilson Memorial Bridge	557	557	14,321	14,878	415	13,877			5,260	$255	8,617
Construction, operation, and maintenance of roads, Alaska:											
Appropriation	2,497	8,155	1,134	4,999	380	580			580		
Contract authorization		2,835									
Access roads (act of Sept. 7, 1950)	1,540	4,156	1,418	2,924	200	1,024			1,024		
Elimination of grade crossings		319		130		50			50		
Surveys and plans		389		278		150			150		
Testing and research laboratory	32	32									
Tongass Forest highways, Alaska		7									
War and emergency damage, Territory of Hawaii		83									
Proposed for later transmission:											
Inter-American Highway							$10,000			550	10,000
Total, Bureau of Public Roads	1,999,412	3,225,870	53,223	126,415	31,732	107,147	10,000		32,064	805	30,141
NATIONAL BUREAU OF STANDARDS											
Current authorizations:											
Expenses		814		1,140		1,368	11,500	$10,000	1,187		1,681
Plant and equipment	830	895	268	412		217	600	283	217		317
Construction of facilities			337	340		90			90		
Construction of laboratories:											
Appropriation	67	156	48	62							
Liquidation of contract authorization											
Purchase and installation of betatron	1	2									
Intragovernmental funds:											
Working capital fund	9,645	5,907	8,048	3,924	5,386	7,858			1,968	4,271	5,890
Advances and reimbursements	21	327	17	235							
Total, National Bureau of Standards	10,564	8,101	8,718	6,113	5,386	9,533	12,100	10,283	3,462	4,271	7,888
WEATHER BUREAU											
Current authorizations:											
Salaries and expenses		4,215		3,499		4,777	40,000	34,317	4,483		5,977
Establishment of meteorological facilities	2,704	6,827	2,032	8,181	995	7,181	275		2,500	155	4,956
Intragovernmental funds:											
Advances and reimbursements	310	906	25	159		160			155		5
Total, Weather Bureau	3,014	11,948	2,057	11,839	995	12,118	40,275	34,317	7,138	155	10,938
Total, Department of Commerce	2,229,139	3,587,015	360,981	633,168	174,341	667,546	951,009	527,788	275,302	165,012	760,512
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$182,693	$355,864	$247,949	$482,810	$55,980	$453,943				$83,112	$570,903
Contract authorizations	2,004,919	3,195,294	95,370	132,475	90,590	182,942				50,553	[2] 146,500
Revolving and management funds:							$937,949	$524,888	$275,282		
Public enterprise funds	31,372	28,400	9,378	13,367	22,253	22,488				26,431	26,942
Intragovernmental funds	10,155	7,457	8,284	4,516	5,518	8,153				4,366	[1] 6,007
Proposed for later transmission:											
Appropriations						20	13,060	2,900	20	550	10,160
Total, Department of Commerce	2,229,139	3,587,015	360,981	633,168	174,341	667,546	951,009	527,788	275,302	165,012	760,512

[1] Excludes capital transfer in 1959 of $11 thousand.

[2] Balance rescinded.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$355,864	$482,810	$453,943
Contract authorizations	3,195,294	132,475	182,942
Revolving and management funds	35,857	17,883	30,641
Proposed for later transmission: Appropriations			20
Total balances brought forward	3,587,015	633,168	667,546
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	608,065	541,536	874,949
Appropriations to liquidate contract authorizations	(57,735)	(53,033)	(30,000)
Reappropriations		65,000	
Total new obligational authority under current authorizations	608,065	606,536	874,949
Permanent authorizations: Contract authorizations	95,000	95,000	63,000
Total new obligational authority enacted or recommended	703,065	701,536	937,949
Proposed for later transmission: Appropriations		300	13,060
Total new obligational authority	703,065	701,836	951,009
Other amounts available:			
Restored from certified claims account	1,798		
Net transfers of balances to (−) other agencies		−1,155	
Total budget authorizations available	4,291,878	1,333,849	1,618,555
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	562,415	652,056	524,888
Out of balances of prior obligational authority			275,282
Total expenditures from obligational authority enacted or recommended	562,415	652,056	800,170
From obligational authority proposed for later transmission:			
Out of new obligational authority		280	2,900
Out of balances of prior obligational authority			20
Total expenditures from obligational authority proposed for later transmission		280	2,920
Total budget expenditures	562,415	652,336	803,090
Amounts no longer available:			
Unobligated balances rescinded		6,432	54,942
Unobligated balances expiring and lapsing	1,941,477	7,348	
Capital transfers from revolving funds to receipt accounts	174	186	11
Adjustment of balances downward in expired accounts, net	1,154,644		
Total amounts no longer available	3,096,295	13,966	54,953
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	482,810	453,943	570,903
Contract authorizations	132,475	182,942	146,500
Revolving and management funds	17,883	30,641	32,949
Proposed for later transmission: Appropriations		20	10,160
Total balances carried forward at close of year	633,168	667,546	760,512
Obligations incurred, net	$629,572	$874,510	$905,385

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GENERAL ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses] For expenses necessary for the general administration of the Department of Commerce, [$2,695,200] *$2,745,000. (5 U. S. C. 591–607; 50 U. S. C., App. 2021–2032, 2061–2166; 50 U. S. C. 402b; Department of Commerce and Related Agencies Appropriation Act 1958.)*

Appropriated 1958, **$2,695,200** Estimate 1959, **$2,745,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$490,909	$534,800	$559,045
2. Departmental staff services	1,282,664	1,428,400	1,457,955
3. Administrative services	592,375	652,300	648,100
4. Air transport mobilization planning	73,116	79,700	79,900
5. Coordination of release of strategic information	59,171		
Total obligations	2,498,235	2,695,200	2,745,000
Financing:			
Unobligated balance no longer available	110,165		
New obligational authority	2,608,400	2,695,200	2,745,000
New obligational authority:			
Appropriation	$2,450,000	$2,695,200	$2,745,000
Transferred (64 Stat. 1263) from—			
"Salaries and expenses," Bureau of the Census	6,700		
"Salaries and expenses," Business and Defense Services Administration	30,000		
"Export control," Bureau of Foreign Commerce	106,000		
"Expenses," National Bureau of Standards	15,700		
Appropriation (adjusted)	2,608,400	2,695,200	2,745,000

2. *Departmental staff services.*—Staff assistance and supervision in the general management and administration of the Department is provided in personnel, budget and management, information, publications, security, legal, internal inspection, and emergency planning activities.

3. *Administrative services.*—Departmentwide direction is provided in property and space, records, general administrative services, safety and motor vehicles, and library activities. Centralized general administrative services, including accounting, are furnished to the smaller bureaus of the Department.

4. *Air transport mobilization planning.*—This provides for planning the mobilization of civil resources in order to insure that in time of war the air transportation facilities of the Nation will be adequate and effectively used.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	343	331	337
Full-time equivalent of all other positions	6	6	6
Average number of all employees	321	330	333
Number of employees at end of year	338	335	338
Average GS grade and salary	8.8 $6,751	8.9 $6,868	8.9 $6,957
Average salary of ungraded positions	$3,811	$3,843	$3,843
01 Personal services:			
Permanent positions	$2,206,078	$2,286,800	$2,331,170
Positions other than permanent	35,131	38,700	38,700
Other personal services	9,489	14,900	15,070
Total personal services	2,250,698	2,340,400	2,384,940
02 Travel	36,221	45,100	47,100
03 Transportation of things	412	1,000	1,000
04 Communication services	45,614	46,900	41,300
05 Rents and utility services	4,117	5,000	5,000
06 Printing and reproduction	48,183	46,200	46,765
07 Other contractual services	35,138	30,000	30,000
Services performed by other agencies	17,240		
08 Supplies and materials	26,256	26,400	26,400
09 Equipment	28,732	12,700	12,700
11 Grants, subsidies, and contributions		139,600	147,895
13 Refunds, awards, and indemnities	3,700		
15 Taxes and assessments	1,924	1,900	1,900
Total obligations	2,498,235	2,695,200	2,745,000

Public enterprise funds:

AVIATION WAR RISK INSURANCE REVOLVING FUND

The Secretary of Commerce is hereby authorized to make such expenditures, within the limits of funds available pursuant to section 1306 of the Act of June 14, 1951, as amended (49 U. S. C. 716), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U. S. C. 849), as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for aviation war risk insurance activities under said Act (49 U. S. C. 711–722).

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Administrative expenses (total costs—obligations)			$5,000
Financing:			
Amounts becoming available: Fees for issuance of binders			11,000
Unobligated balance carried forward			−6,000
Financing applied to program			5,000

The purpose of this fund is to provide aviation war risk insurance in the event of an outbreak of war. Binders would be issued to cover aircraft and cargo, and would become war risk insurance automatically on the outbreak of war. Administrative costs will be paid out of fee receipts.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Administrative expenses			$5,000
Receipts from operations (funds provided):			
Fees for issuance of binders			11,000
Budget expenditures			−6,000

Revenue, Expense, and Retained Earnings

Revenue			$11,000
Expense			5,000
Net income for the year (retained earnings, end of year)			6,000

Financial Condition

Assets:			
Cash with Treasury			$6,000
Government investment:			
Retained earnings			6,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash				$6,000
Unobligated balance				6,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services: Positions other than permanent			$500
06 Printing and reproduction			300
07 Other contractual services			3,800
08 Supplies and materials			400
Total obligations			5,000

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GENERAL ADMINISTRATION—Continued

Public enterprise funds—Continued

DEFENSE PRODUCTION GUARANTIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$5,883	$5,883	
Capital transfer (payment of profits to Treasury) (−)		−5,883	
Unobligated balance carried forward	−5,883		
Financing applied to program			

Guaranties are given on approved loans made by private sources or Federal Reserve banks to facilitate performance under defense production contracts. Guaranty fees are used to pay expenses of Federal Reserve banks which serve as fiscal agents. Net earnings are retained to meet possible future losses (Defense Production Act of 1950, sec. 301, as amended). Legislative authority for this program expires on June 30, 1958.

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury (retained earnings)	$5,883		

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Sales program:			
Cost of goods sold	$407,841	$418,300	$463,700
Administrative and other expenses	1,207,569	1,255,000	1,391,000
Total operating costs	1,615,410	1,673,300	1,854,700
Adjustment for cost included above not requiring funding	1,987		
Depreciation included above (−)	−29,363	−30,987	−33,500
Total operating costs, funded	1,588,034	1,642,313	1,821,200
Capital outlay: Purchase of equipment	77,673	30,000	20,000
Total program costs, funded	1,665,707	1,672,313	1,841,200
Relation of costs to obligations:			
Costs financed from obligations from other years, net (−)	−62,055		
Obligations incurred for costs of other years, net		15,987	45,500
Total program (obligations)	1,603,652	1,688,300	1,886,700
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Sale of commodities	1,673,925	1,684,100	1,862,700
Other receipts	2,707	600	700
Adjustment of prior year revenue	504		
Total amounts becoming available	1,677,136	1,684,700	1,863,400
Unobligated balance brought forward	154,488	190,629	129,404
Total amounts available	1,831,624	1,875,329	1,992,804
Capital transfer (payment of earnings to Treasury) (−)	−37,343	−57,625	−11,400
Unobligated balance carried forward	−190,629	−129,404	−94,704
Financing applied to program	1,603,652	1,688,300	1,886,700

This fund finances, on a reimbursable basis, common services which can be performed to greater advantage centrally (5 U. S. C. 607). The principal of the fund consists of both appropriated and donated assets. Earnings which are surplus to operational requirements of the fund are returned to the Treasury.

Relation of costs to obligation.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories, deferred charges, etc	$98,894	$123,063	$131,050	$156,550
Unpaid undelivered orders	105,404	22,038	30,038	50,038
Total selected resources at end of year	204,298	145,101	161,088	206,588
Selected resources at start of year (−)		−204,298	−145,101	−161,088
Increase or decrease (−) in selected resources		−59,197	15,987	45,500
Adjustment of selected resources reported at start of year		−2,858		
Costs financed from obligations of other years, net (−)		−62,055		
Obligations incurred for costs of other years, net			15,987	45,500

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$77,673	$30,000	$20,000
Expense:			
Purchase of commodities for manufacture or sale	451,496	426,715	488,900
Other expense	1,180,193	1,224,013	1,357,500
Increase in selected working capital			2,300
Total gross expenditures	1,709,362	1,680,728	1,868,700
Receipts from operations (funds provided):			
Sales program: Revenue	1,673,925	1,684,100	1,862,700
Undistributed receipts:			
Proceeds from sale of equipment	2,057		
Discounts taken	650	600	700
Adjustment of prior year expense	1,039		
Decrease in selected working capital	38,384	22,861	
Total receipts from operations	1,716,055	1,707,561	1,863,400
Budget expenditures	−6,693	−26,833	5,300

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$1,673,925	$1,684,100	$1,862,700
Expense	1,617,397	1,673,300	1,854,700
Net operating income	56,528	10,800	8,000
Nonoperating income:			
Proceeds from sale of equipment	2,057		
Net book value of assets sold (−)	−1,608		
Net gain from sale of equipment	449		
Discounts taken	650	600	700
Net nonoperating income	1,099	600	700
Net income for the year	57,627	11,400	8,700
Analysis of retained earnings:			
Retained earnings, beginning of year	251,463	270,465	224,240
Adjustment and writeoffs	−1,282		
Payment of earnings to Treasury (−)	−37,343	−57,625	−11,400
Retained earnings, end of year	270,465	224,240	221,540

Financial Condition

Assets:			
Cash with Treasury	$147,492	$116,700	$100,000
Accounts receivable, net	247,549	214,950	216,050
Commodities for sale	119,934	128,350	153,550
Supplies	3,129	2,700	3,000
Capital improvements, and equipment, net	284,387	283,400	269,900
Total assets	802,491	746,100	742,500
Liabilities:			
Current	182,374	172,208	171,308
Government investment:			
Noninterest bearing capital:			
Start of year	348,114	349,652	349,652
Donations during the year	1,538		
End of year	349,652	349,652	349,652
Retained earnings	270,465	224,240	221,540
Total Government investment	620,117	573,892	571,192

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Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$178,141	$147,492	$116,700	$100,000
Obligated balance, net:				
Current liabilities	153,095	182,374	172,208	171,308
Unpaid undelivered orders	105,404	22,038	30,038	50,038
Accounts receivable, net (—)	−234,846	−247,549	−214,950	−216,050
Total obligated balance	23,653	−43,137	−12,704	5,296
Unobligated balance	154,488	190,629	129,404	94,704

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	172	167	182
Average number of all employees	166	162	179
Number of employees at end of year	170	165	180
Average GS grade and salary	4.9 $4,356	5.4 $4,516	5.5 $4,573
Average salary of ungraded positions	$4,551	$4,808	$4,719
01 Personal services:			
Permanent positions	$736,923	$748,900	$831,300
Other personal services	20,911	2,900	3,200
Excess of annual leave earned over leave taken	8,256		
Total personal services	766,090	751,800	834,500
02 Travel	24,390	30,300	29,200
03 Transportation of things	66	100	100
04 Communication services	223,038	244,100	259,900
05 Rents and utility services	22,665	27,600	26,700
06 Printing and reproduction	84,579	45,600	40,500
07 Other contractual services	23,252	20,100	20,000
08 Supplies and materials	462,771	484,000	582,800
09 Equipment	78,764	30,000	20,000
11 Grants, subsidies, and contributions		46,700	53,000
13 Refunds, awards, and indemnities	1,235		
15 Taxes and assessments	168		
Subtotal	1,687,018	1,680,300	1,866,700
Increase or decrease (—) in undelivered orders	−83,366	8,000	20,000
Total obligations	1,603,652	1,688,300	1,886,700

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Air Coordinating Committee:			
Civil Aeronautics Board	$25,942	$28,015	$28,930
Department of Commerce	21,610	23,410	23,810
Department of Defense	97,478	111,875	117,335
Federal Communications Commission	21,596	23,200	24,010
Post Office Department	17,264	18,600	18,885
Department of State	17,264	18,600	18,885
Department of the Treasury	17,264	18,600	18,885
Total, Air Coordinating Committee	218,418	242,300	250,740
2. Government Patents Board:			
Department of Agriculture	4,472	5,000	5,000
Department of Commerce	1,802	2,500	2,500
Department of Defense	41,704	49,000	49,000
Department of Health, Education, and Welfare	1,802	2,000	2,000
Department of the Interior	1,802	2,000	2,000
National Advisory Committee for Aeronautics	1,802	2,500	2,500
Total, Government Patents Board	53,384	63,000	63,000
3. International exchange of information	17,649		
4. Administrative services performed for other accounts:			
Bureau of Foreign Commerce	88,000	93,400	93,400
Business and Defense Services Administration	36,305	54,800	54,800
Total, administrative services performed for other accounts	124,305	148,200	148,200
5. Miscellaneous services to other accounts	28,536	18,600	12,560
Total obligations	442,292	472,100	474,500

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Advances and reimbursements from other accounts	$457,281	$472,100	$474,500
Unobligated balance no longer available	−14,989		
Total financing	442,292	472,100	474,500

1. *Air Coordinating Committee.*—In accordance with Executive Order 10655, the Air Coordinating Committee is composed of representatives from agencies having aviation responsibilities. The Committee examines aviation problems and developments affecting more than one agency and recommends joint policies. Recommendations are submitted to the President on aviation policies requiring his attention. Liaison is provided between Government and industry in aviation matters and with the International Civil Aviation Organization.

2. *Government Patents Board.*—The Board is responsible, under Executive Order 10096, for the administration and interpretation of the policy set forth therein governing the respective property rights of the Government and its employees in inventions made by its employees.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	73	72	73
Full-time equivalent of all other positions		1	1
Average number of all employees	72	74	74
Number of employees at end of year	70	72	72
Average GS grade and salary	6.7 $5,502	6.5 $5,541	6.6 $5,596
Average salary of ungraded positions	$3,744	$3,869	$3,869
01 Personal services:			
Permanent positions	$401,285	$399,840	$404,020
Positions other than permanent	1,562	4,000	4,000
Other personal services	926	1,560	1,580
Total personal services	403,773	405,400	409,600
02 Travel	2,506	5,600	5,000
03 Transportation of things		400	400
04 Communication services	5,364	6,750	6,850
05 Rents and utility services	156	500	600
06 Printing and reproduction	11,552	12,000	12,850
07 Other contractual services	6,541	6,550	5,350
08 Supplies and materials	6,011	5,900	5,100
09 Equipment	6,083	3,000	2,550
11 Grants, subsidies, and contributions		25,800	26,000
13 Refunds, awards, and indemnities	40		
15 Taxes and assessments	266	200	200
Total obligations	442,292	472,100	474,500

BUREAU OF THE CENSUS

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary for collecting, compiling, and publishing current census statistics provided for by law, including enumerators at rates to be fixed without regard to the Classification Act of 1949, as amended, [$7,881,800] *$8,920,000. (5 U. S. C. 601: 13 U. S. C. 23, 24, 41–45, 61–63, 181; 15 U. S. C. 173, 177–179, 181, 184–187, 193, 194; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$7,881,800** Estimate 1959, **$8,920,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Retail, wholesale, and service trade statistics	$1,085,439	$1,098,728	$1,357,935
2. Manufacturing and industrial statistics	1,090,953	1,095,534	1,162,034
3. Agriculture statistics	177,403	193,784	193,784
4. Foreign trade and shipping statistics	1,690,194	1,930,483	1,907,497
5. Population and housing statistics	1,916,364	2,051,694	2,412,287

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BUREAU OF THE CENSUS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
6. State and local government statistics	$237,601	$253,635	$341,635
7. Statistical abstract and special reports	277,745	277,681	273,797
8. General administration	892,482	980,261	1,005,042
9. Mobilization functions			265,989
10. Electronic equipment development	43,978		
Total obligations	7,412,159	7,881,800	8,920,000
Financing:			
Unobligated balance no longer available	56,141		
New obligational authority	7,468,300	7,881,800	8,920,000
New obligational authority:			
Appropriation	$7,475,000	$7,881,800	$8,920,000
Transferred to "Salaries and expenses," general administration (64 Stat. 1263)	−6,700		
Appropriation (adjusted)	7,468,300	7,881,800	8,920,000

The Bureau is the principal fact-finding and statistical agency of the Federal Government.

1. *Retail, wholesale, and service trade statistics.*—Monthly dollar volume estimates of retail and wholesale sales are prepared and monthly trends on retail and wholesale inventories are computed. An advance report of retail sales is issued within 10 days after the close of the month. Once a year, additional data are reported on retail inventories, and accounts receivable outstanding at end of year and total sales for the year by regions. In 1959, monthly data will be obtained on outstanding consumer credit and on the receipts of service trades. Additional commodity detail will be obtained on the monthly retail and wholesale inventory surveys.

2. *Manufacturing and industrial statistics.*—Periodic surveys are made of production, shipments, orders, and materials consumed for important commodities. An annual survey of manufactures produces data on the number, size, industrial classification, and location of manufacturing establishments and key measures of factory operations such as employment, shipment, inventories, etc. In 1959 an improved probability sample embodying more adequate industrial classification and better coverage of reporting units will be developed.

3. *Agriculture statistics.*—Information is compiled on cotton ginned at 11 dates during the ginning season.

4. *Foreign trade and shipping statistics.*—Monthly, quarterly, and annual reports are published on the kind, quantity, shipping weight and dollar value of imports and exports. Some savings are anticipated because of the transition to more efficient tabulating equipment.

5. *Population and housing statistics.*—Based on a monthly survey of 35,000 households, monthly, quarterly, and annual estimates are published of employment, unemployment, population mobility, school enrollment, personal income, housing vacancies, and other characteristics of the population. Annual estimates of population by States are also published. In 1959, data collection on construction activity will be initiated.

6. *State and local government statistics.*—Reports are published providing national estimates of total governmental finances, employment, and payrolls, and comparative statistics for State governments and larger cities. In 1959, a quarterly survey on governmental finances will be initiated.

7. *Statistical abstract and special reports.*—The Statistical Abstract is an annual summary of Government and private statistics on the industrial, social, political, and economic activities of the United States. Historical and other general reports are also published periodically. A report showing for each county in the United States the number and kind of all business establishments, and their employment and payrolls is published on a biennial basis.

9. *Mobilization functions.*—Statistics relating primarily to industrial facilities are developed in support of the bomb-damage assessment program.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,176	1,141	1,231
	Full-time equivalent of all other positions	198	231	367
	Average number of all employees	1,315	1,304	1,507
	Number of employees at end of year	1,669	1,700	2,065
	Average GS grade and salary	6.4 $5,070	6.5 $5,100	6.4 $5,110
	Average salary of ungraded positions	$4,265	$4,728	$4,728
01	Personal services:			
	Permanent positions	$5,213,454	$5,298,667	$5,613,638
	Positions other than permanent	652,816	765,038	1,314,002
	Other personal services	142,732	120,845	120,970
	Total personal services	6,009,002	6,184,550	7,048,610
02	Travel	385,955	387,444	447,531
03	Transportation of things	16,916	15,849	19,064
04	Communication services	241,762	249,962	311,748
05	Rents and utility services	143,811	165,780	149,196
06	Printing and reproduction	308,456	304,413	294,121
07	Other contractual services	42,239	27,843	27,545
	Services performed by other agencies	132,256	67,345	94,521
08	Supplies and materials	79,728	76,058	84,384
09	Equipment	22,879	25,769	24,546
11	Grants, subsidies, and contributions		356,906	394,920
13	Refunds, awards, and indemnities	13,730	4,456	4,506
15	Taxes and assessments	15,425	15,425	19,508
	Total obligations	7,412,159	7,881,800	8,920,000

1958 CENSUSES OF BUSINESS, MANUFACTURES, AND MINERAL INDUSTRIES

[1958 censuses of business, manufactures, and mineral industries:] For expenses necessary for preparing for, *taking, compiling, and publishing* the 1958 censuses of business, manufactures, and mineral industries as authorized by law, including [enumerators] *personal services* at rates to be fixed *by the Secretary of Commerce* without regard to the Classification Act of 1949, as amended, and additional compensation of Federal employees temporarily detailed for field work under this appropriation, [$1,000,000] *$7,300,000, to remain available until December 31, 1961: Provided,* That the appropriation granted under this head in the Department of Commerce and Related Agencies Appropriation Act, [1957] *1958,* shall be merged with this appropriation. (*13 U. S. C. 23, 24, 131; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000** Estimate 1959, **$7,300,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Census of business	$61,147	$523,576	$4,753,362
2. Census of manufactures	16,152	300,408	1,604,484
3. Census of mineral industries	12,932	97,416	307,154
4. General administration	12,632	125,737	635,000
Total obligations	102,863	1,047,137	7,300,000
Financing:			
Unobligated balance brought forward		−47,137	
Unobligated balance carried forward	47,137		
Appropriation (new obligational authority)	150,000	1,000,000	7,300,000

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The 1958 censuses of business, manufactures, and mineral industries will provide data on the volume of production and trade, the number, size, geographical distribution, and other characteristics of the Nation's 3.3 million business and industrial enterprises. The printing, mailing, and most of the collection of report forms will be accomplished, and editing work will be started in 1959. Funds for completion of editing and for tabulation and printing of the reports will be requested in 1960.

	1957 actual	*1958 estimate*	*1959 estimate*
Preparatory work	$102,863	$1,047,137	$367,071
Data collection			3,702,062
Data processing			3,230,867
Total	102,863	1,047,137	7,300,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	39	78	93
Full-time equivalent of all other positions		82	1,103
Average number of all employees	16	149	1,196
Number of employees at end of year	39	202	1,600
Average GS grade and salary	6.4 $5,070	6.5 $5,100	6.4 $5,110
Average salary, ungraded positions	$4,265	$4,728	$4,728
01 Personal services:			
Permanent positions	$96,174	$397,073	$552,472
Positions other than permanent		448,209	4,226,665
Other personal services	1,099	1,500	2,125
Total personal services	97,273	846,782	4,781,262
02 Travel	2,601	23,194	124,164
03 Transportation of things		2,691	41,140
04 Communication services	745	15,805	497,729
05 Rents and utility services	580	14,871	287,600
06 Printing and reproduction	695	42,650	464,955
07 Other contractual services	405	3,372	113,978
Services performed by other agencies	24	12,578	465,715
08 Supplies and materials	540	8,704	85,625
09 Equipment		24,595	199,836
11 Grants, subsidies, and contributions		50,400	180,618
13 Refunds, awards, and indemnities		265	1,704
15 Taxes and assessments		1,230	55,674
Total obligations	102,863	1,047,137	7,300,000

Eighteenth Decennial Census

[Eighteenth decennial census:] For *an additional amount for* expenses necessary for preparing for, taking, compiling, and publishing the eighteenth decennial census, as authorized by law [(13 U. S. C. 5–9, 11, 23–25, 141–145)], including [enumerators] *personal services* at rates to be fixed *by the Secretary of Commerce*, without regard to the Classification Act of 1949, as amended, and additional compensation of Federal employees temporarily detailed for field work under this appropriation; [$3,250,000] *$7,000,000*, to remain available until December 31, 1962. *(13 U. S. C. 5–9, 11–13, 23–26, 141, 142; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$3,250,000** Estimate 1959, **$7,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Census of population		$702,437	$2,179,499
2. Census of housing		245,127	1,020,537
3. Census of agriculture		353,713	1,121,439
4. Electronic equipment		1,733,254	2,144,825
5. General administration		215,469	533,700
Total obligations		3,250,000	7,000,000
Financing:			
Appropriation (new obligational authority)		3,250,000	7,000,000

Intensive preparatory work for the 18th decennial censuses of population, housing, and agriculture began in 1958 and will continue in 1959 and 1960. An objective is to achieve faster release of tabulated results through an extension of sampling, and by the use of electronic equipment for processing and tabulating the returns. The work in 1959 includes the final determination of questions to be asked and of procedures to be employed, including a major field test of procedures scheduled for October 1958, the preparation of enumerator maps, the printing of the questionnaires for the agriculture census, and the purchase of electronic equipment needed for the rapid processing of results. Enumeration will not actually begin until 1960. The cost of the census, including preparatory work, will be spread over 6 fiscal years and is currently estimated at $110 million.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		86	92
Full-time equivalent of all other positions		194	777
Average number of all employees		279	867
Number of employees at end of year		364	975
Average GS grade and salary		6.5 $5,100	6.4 $5,110
Average salary of ungraded positions		$4,728	$4,728
01 Personal services:			
Permanent positions		$490,200	$524,400
Positions other than permanent		851,698	3,400,923
Other personal services		3,500	3,800
Total personal services		1,345,398	3,929,123
02 Travel		101,313	160,958
03 Transportation of things		505	1,279
04 Communication services		10,210	24,043
05 Rents and utility services		8,482	22,166
06 Printing and reproduction		32,082	373,612
07 Other contractual services		17,760	14,971
Services performed by other agencies		155,470	30,659
08 Supplies and materials		86,283	264,020
09 Equipment		1,407,149	2,015,354
11 Grants, subsidies, and contributions		80,048	117,217
13 Refunds, awards, and indemnities		300	759
15 Taxes and assessments		5,000	45,839
Total obligations		3,250,000	7,000,000

Census of Governments

For an additional amount for taking, compiling, and publishing the 1957 census of governments as authorized by law, including personal services at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and additional compensation of Federal employees temporarily detailed for field work under this appropriation; $395,000. (13 U. S. C. 161.)

Estimate 1959, **$395,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Census of governments	$737,134	$738,963	$431,400
2. General administration	97,835	86,068	53,600
Total obligations	834,969	825,031	485,000
Financing:			
Unobligated balance brought forward		−915,031	−90,000
Unobligated balance carried forward	915,031	90,000	
Appropriation (new obligational authority)	1,750,000		395,000

This census will produce data on taxes and tax valuations, governmental receipts, expenditures, indebtedness, and employment of States, counties, cities, and other local governmental units. Last conducted in 1942, it is required by law to be conducted in 1957 and every fifth year thereafter. Final results of this census will be published in 1959.

	1957 actual	*1958 estimate*	*1959 estimate*
Preparatory work	$86,349		
Data collection	587,890	$442,799	$36,000
Data processing	160,190	350,750	349,000
Publication	540	31,482	100,000
Total	834,969	825,031	485,000

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BUREAU OF THE CENSUS—Continued

Current authorizations—Continued

CENSUS OF GOVERNMENTS—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	29	8	7
Full-time equivalent of all other positions	120	124	81
Average number of all employees	148	132	88
Number of employees at end of year	94	80	7
Average GS grade and salary	6.4 $5,070	6.5 $5,100	6.4 $5,110
Average salary of ungraded positions	$4,265	$4,728	$4,728
01 Personal services:			
Permanent positions	$132,457	$44,300	$41,044
Positions other than permanent	451,154	522,653	342,559
Other personal services	20,834	200	175
Total personal services	604,445	567,153	383,778
02 Travel	118,598	135,020	18,015
03 Transportation of things	3,078	326	107
04 Communication services	42,023	47,390	1,733
05 Rents and utility services	5,032	3,458	1,259
06 Printing and reproduction	37,441	27,324	51,682
07 Other contractual services	468	2,009	720
Services performed by other agencies	3,156	1,143	988
08 Supplies and materials	9,285	4,812	6,700
09 Equipment	7,288	6,451	175
11 Grants, subsidies, and contributions		28,548	19,623
13 Refunds, awards, and indemnities	613	97	77
15 Taxes and assessments	3,542	1,300	143
Total obligations	834,969	825,031	485,000

CENSUS OF AGRICULTURE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Census of agriculture	$753,928		
2. General administration	95,890		
Total obligations	849,818		
Financing:			
Unobligated balance brought forward	−1,818,407		
Unobligated balance transferred to "Censuses of business, manufactures, and mineral industries," Bureau of the Census (70 Stat. 314)	900,000		
Unobligated balance no longer available	68,589		
Appropriation (new obligational authority)			

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	31		
Full-time equivalent of all other positions	118		
Average number of all employees	133		
Number of employees at end of year	0		
Average GS grade and salary	6.4 $5,070		
Average salary of ungraded positions	$4,265		
01 Personal services:			
Permanent positions	$112,257		
Positions other than permanent	524,759		
Other personal services	9,890		
Total personal services	646,906		
02 Travel	14,845		
03 Transportation of things	396		
04 Communication services	5,966		
05 Rents and utility services	11,868		
06 Printing and reproduction	130,629		
07 Other contractual services	17,340		
Services performed by other agencies	2,015		
08 Supplies and materials	13,641		
09 Equipment	6,212		
Total obligations	849,818		

CENSUSES OF BUSINESS, MANUFACTURES, AND MINERAL INDUSTRIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Census of business	$653,756	$46,804	
2. Census of manufactures	494,358	83,373	
3. Census of mineral industries	145,540	25,398	
4. General administration	177,210	10,260	
Total obligations	1,470,864	165,835	
Financing:			
Unobligated balance brought forward	−736,699	−165,835	
Unobligated balance transferred from "Census of agriculture" (70 Stat. 314)	−900,000		
Unobligated balance carried forward	165,835		
Appropriation (new obligational authority)			

Final reports from the 1954 censuses of business, manufactures, and mineral industries containing data on the volume of production and trade, the number, size, geographical distribution, and other characteristics of approximately 3.3 million business and industrial enterprises will be published in 1958, and the program completed.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF THE CENSUS			
Total number of permanent positions	89	20	
Full-time equivalent of all other positions	185		
Average number of all employees	271	11	
Number of employees at end of year	73	0	
Average GS grade and salary	6.4 $5,070	6.5 $5,100	
Average salary of ungraded positions	$4,265	$4,728	
01 Personal services:			
Permanent positions	$423,932	$61,730	
Positions other than permanent	737,447		
Other personal services	26,792		
Total personal services	1,188,171	61,730	
02 Travel	10,039	476	
03 Transportation of things	217	63	
04 Communication services	19,922	393	
05 Rents and utility services	43,295	2,590	
06 Printing and reproduction	135,975	93,929	
07 Other contractual services	20,500	876	
Services performed by other agencies	422	440	
08 Supplies and materials	27,022	1,060	
09 Equipment	4,322	1,291	
11 Grants, subsidies, and contributions		2,514	
13 Refunds, awards, and indemnities	1,445	15	
15 Taxes and assessments		458	
Total, Bureau of the Census	1,451,330	165,835	
ALLOCATION TO BUREAU OF OLD-AGE AND SURVIVORS INSURANCE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
01 Personal services	14,480		
05 Rents and utility services	3,651		
06 Printing and reproduction	1,032		
07 Other contractual services	45		
08 Supplies and materials	326		
Total, Bureau of Old-Age and Survivors Insurance	19,534		
Total obligations	1,470,864	165,835	

NATIONAL HOUSING INVENTORY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. National housing inventory	$868,989		
2. General administration	120,624		
Total obligations	989,613		

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$10,387		
Appropriation (new obligational authority)	1,000,000		

Object Classification

Total number of permanent positions		40				
Full-time equivalent of all other positions		174				
Average number of all employees		197				
Number of employees at end of year		36				
Average GS grade and salary	6.4	$5,070				
Average salary of ungraded positions		$4,265				
01 Personal services:						
Permanent positions		$125,003				
Positions other than permanent		666,607				
Other personal services		9,897				
Total personal services		801,507				
02 Travel		88,111				
03 Transportation of things		20,505				
04 Communication services		25,196				
05 Rents and utility services		7,067				
06 Printing and reproduction		16,013				
07 Other contractual services		10,189				
Services performed by other agencies		753				
08 Supplies and materials		12,262				
09 Equipment		404				
13 Refunds, awards, and indemnities		596				
15 Taxes and assessments		7,010				
Total obligations		989,613				

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Special statistical services for—			
Atomic Energy Commission	$18,234		
Department of Agriculture	245,867	$34,196	$34,000
Department of the Air Force	96,808	111,607	112,000
Department of the Army	156,859	87,800	88,000
Department of Commerce	287,135	101,283	101,000
Department of Defense	32,875	544,658	545,000
Federal Civil Defense Administration	39,693		
General Service Administration	29,660	23,871	24,000
Department of Health, Education, and Welfare	592,186	734,732	735,000
Department of the Interior	23,976	1,326	
Department of Justice	5,858		
National Science Foundation	16,908	13,098	13,000
Department of the Navy	44,525	37,053	37,000
Department of State—International Cooperation Administration	5,366	8,143	8,000
Treasury Department	102,259	164,276	164,000
Miscellaneous services to other agencies	222,254	47,998	90,519
Miscellaneous services to non-Federal agencies	74,867	30,843	30,000
2. General administration	237,220	289,116	248,481
Total obligations	2,232,550	2,230,000	2,230,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,152,835	2,195,000	2,195,000
Non-Federal sources	79,715	35,000	35,000
Total financing	2,232,550	2,230,000	2,230,000

Object Classification

Total number of permanent positions		226		242		242
Full-time equivalent of all other positions		140		140		140
Average number of all employees		356		370		370
Number of employees at end of year		832		850		850
Average GS grade and salary	6.4	$5,070	6.5	$5,100	6.4	$5,110
Average salary of ungraded positions		$4,265		$4,728		$4,728
01 Personal services:						
Permanent positions		$1,216,597		$1,270,000		$1,270,000
Positions other than permanent		528,410		530,000		530,000
Other personal services		73,325		10,000		10,000
Total personal services		1,818,332		1,810,000		1,810,000
02 Travel		102,816		90,000		90,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
03 Transportation of things	$4,133	$4,000	$4,000
04 Communication services	48,660	45,000	45,000
05 Rents and utility services	83,271	75,000	75,000
06 Printing and reproduction	52,713	50,400	50,400
07 Other contractual services	24,102	20,000	20,000
Services performed by other agencies	9,214	8,000	8,000
Payments to miscellaneous receipts	3,303	1,000	1,000
08 Supplies and materials	44,147	44,000	44,000
09 Equipment	17,937	9,000	9,000
11 Grants, subsidies, and contributions		50,000	50,000
13 Refunds, awards, and indemnities	2,291	2,000	2,000
15 Taxes and assessments	21,631	21,600	21,600
Total obligations	2,232,550	2,230,000	2,230,000

CIVIL AERONAUTICS ADMINISTRATION

The Administration controls air traffic, installs, and operates aids to air navigation and traffic control, certifies the competency of airmen and the airworthiness of aircraft, and administers grants for airport construction.

Current authorizations:

OPERATION AND REGULATION

[Operation and regulation:] For necessary expenses of the Civil Aeronautics Administration in carrying out the provisions of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 401), and other Acts incident to the enforcement of safety regulations, maintenance and operation of air-navigation and air-traffic control facilities, and disposal of surplus airports and administering instruments of disposal; planning, research, and administrative expenses for carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended, including furnishing advisory services to States and other public and private agencies in connection with the construction or improvement of airports and landing areas; developmental work and service-testing as tends to the creation of improved air-navigation facilities, including landing areas, aircraft, aircraft engines, propellers, appliances, personnel, and operation methods, and acquisition of sites for such activities by lease, or grant; purchase of not to exceed [forty-four] *forty* passenger motor vehicles for replacement only; *purchase of not to exceed two aircraft;* hire of aircraft (not exceeding $675,000); operation and maintenance of not to exceed [ninety-two] *one hundred and twelve* aircraft; fees and mileage of expert and other witnesses; and purchase and repair of skis and snowshoes; [$181,747,800] *$230,000,000*: *Provided,* That there may be credited to this appropriation, funds received from States, counties, municipalities, and other public authorities for expenses incurred in the maintenance and operation of air-navigation facilities. *(49 U. S. C. 401–705; 49 U. S. C. 171–184; 49 U. S. C. 1101–1119; 50 U. S. C. App. 1622 (g) and 1622 a, b, c; Convention on International Civil Aviation Treaty, dated April 14, 1947; 49 U. S. C. 1151–1160; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$181,747,800** Estimate 1959, **$230,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Federal airways	$117,976,538	$159,638,000	$204,850,000
2. Flight operations and airworthiness	14,944,678	18,252,350	20,808,000
3. Airports	3,330,650	3,857,450	4,342,000
Total obligations	136,251,866	181,747,800	230,000,000
Financing:			
Unobligated balance no longer available	552,134		
Appropriation (new obligational authority)	136,804,000	181,747,800	230,000,000

1. *Federal airways.*—This is a program of maintaining and operating, 24 hours daily, a national network of aids to air navigation and traffic control along the primary air routes and at principal airports in the continental United States, its Territories and possessions. Major increases

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CIVIL AERONAUTICS ADMINISTRATION—Con.

Current authorizations—Continued

OPERATION AND REGULATION—Continued

in 1959 are for (*a*) handling workload generated by increased air traffic; (*b*) operating newly commissioned radar, navigation aids and other airways facilities procured and installed with funds appropriated under "Establishment of Air Navigation Facilities"; (*c*) training of traffic control and maintenance personnel; and (*d*) full-year costs of facilities and services operated on a part-year basis in 1958.

2. *Flight operations and airworthiness.*—Inspections and certifications are made of aircraft, airmen, and operators of aircraft and air agencies, including the enforcement of the Civil Air Regulations which are designed to provide safe and competent operation of aircraft. Increases in 1959 are for handling workload incident to the increased volume of flying and the introduction of new types of aircraft.

3. *Airports.*—This activity includes costs of administering grants for airport construction; inspection of airport facilities to determine their utility and to assure compliance with law and regulations; and the provision of advisory services on airport design and engineering.

RECENT TRENDS IN VOLUME OF AIR TRAFFIC

	Aircraft arrivals and departures at airports with CAA towers (in millions)	*Instrument approaches handled by CAA traffic control facilities (in millions)*	*Revenue passenger-miles (in millions)*
1953	16.2	0.4	17.1
1954	17.3	.5	19.1
1955	18.8	.6	22.4
1956	20.4	.7	25.9
1957	23.7	1.0	29.3
1958 (estimated)	27.0	1.3	33.0
1959 (estimated)	30.5	1.5	37.0

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	18,971	22,900	28,182
Full-time equivalent of all other positions	285	209	180
Average number of all employees	16,226	20,872	25,453
Number of employees at end of year	18,742	22,676	28,043
Average GS grade and salary	8.4 $5,764	8.8 $5,931	8.9 $5,891
Average grade and salary established by act of Oct. 15, 1949 (49 U. S. C. 421)	$20,000	$20,000	$20,000
Average salary of ungraded positions	$5,230	$5,311	$5,204
01 Personal services:			
Permanent positions	$91,752,620	$117,236,344	$144,016,769
Positions other than permanent	905,187	849,266	705,139
Other personal services	9,010,952	9,570,319	10,264,593
Total personal services	101,668,759	127,655,929	154,986,501
02 Travel	5,694,869	8,330,186	11,729,983
03 Transportation of things	1,443,862	1,972,681	2,277,974
04 Communication services	9,604,972	15,380,083	18,773,336
05 Rents and utility services	4,057,448	5,088,728	9,360,156
06 Printing and reproduction	503,027	443,176	484,580
07 Other contractual services	3,523,055	3,765,108	6,538,014
Services performed by other agencies	52,416	432,218	481,900
08 Supplies and materials	7,028,044	8,043,760	11,122,027
09 Equipment	2,430,779	3,504,345	5,228,884
10 Lands and structures	462,687		
11 Grants, subsidies, and contributions	40,532	7,473,310	9,374,494
13 Refunds, awards, and indemnities	47,629		
15 Taxes and assessments	44,633	53,205	55,492
Subtotal	136,602,712	182,142,729	230,413,341
Deduct quarters and subsistence charges	350,846	394,929	413,341
Total obligations	136,251,866	181,747,800	230,000,000

ESTABLISHMENT OF AIR-NAVIGATION FACILITIES

[Establishment of air-navigation facilities:] For an additional amount for the acquisition, establishment, and improvement by contract or purchase and hire of air-navigation facilities, including the initial acquisition of necessary sites by lease or grant; the construction and furnishing of quarters and related accommodations for officers and employees of the Civil Aeronautics Administration and the Weather Bureau stationed at remote localities not on foreign soil where such accommodations are not available; *purchase of not to exceed seven aircraft;* the initial flight checking of air-navigation facilities and the transportation by air to and from and within the Territories of the United States of materials and equipment secured under this appropriation; [$124,603,525] *$175,000,000,* to remain available until expended. (*49 U. S. C. 175, 451, 452, 455, 457, 1156 and 1159; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$124,603,525** Estimate 1959, **$175,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Air-navigation facilities:			
(*a*) VORTAC	$10,140,874	$41,891,145	$38,320,606
(*b*) Low/medium frequency and markers	365,533	843,217	834,995
(*c*) Instrument landing systems	815,949	5,496,407	4,200,000
(*d*) Approach lighting	2,777,889	3,847,378	9,452,811
(*e*) Intermediate fields and beacons	1,197,259	279,366	1,816,551
2. En route traffic control aids:			
(*a*) Long range radar	16,323,000	11,770,873	25,623,681
(*b*) Air route traffic control centers	22,529,446	9,813,286	12,854,771
(*c*) Air traffic communications stations	8,250,558	6,777,763	6,181,762
(*d*) International air traffic communications stations	192,625	1,447,447	1,889,176
3. Terminal traffic control aids:			
(*a*) Airport traffic control towers	3,044,206	4,647,648	5,534,949
(*b*) Terminal area radar	1,419,437	10,419,189	16,833,112
4. Supporting facilities:			
(*a*) Flight inspection and logistics aircraft	7,995,079	4,924,269	11,219,802
(*b*) Housing, utilities, and miscellaneous	613,247	3,842,012	7,737,784
Total obligations	75,665,102	106,000,000	142,500,000
Financing:			
Unobligated balance brought forward	−17,531,236	−16,866,134	−35,469,659
Unobligated balance carried forward	16,866,134	35,469,659	67,969,659
Appropriation (new obligational authority)	75,000,000	124,603,525	175,000,000

The Federal airways system is being improved by the procurement and installation of new equipment and the modernization of existing facilities. The 1959 estimate is to carry forward a program begun in 1957 which is designed to expand the capacity of the airways system to handle growing air traffic efficiently and safely.

The cost of operating and maintaining equipment installed under this appropriation is covered by the appropriation "Operation and regulation."

Funds are budgeted for the following types of facilities in 1959:

1. *Air navigation facilities*—(*a*) *VORTAC.*—Covers the ground installation portion of the standard short-range navigation system which defines the location of the principal airways and gives pilots of equipped aircraft their distance and direction from ground stations; (*b*) *Low/medium frequency radio ranges and markers.*—Covers radio beacons, ranges and associated equipment which provide pilots of equipped aircraft with direction information and define the location of certain airways; (*c*) *Instrument landing systems.*—Covers the ground installations of this standard system which provide pilots with direction, distance and glide slope information necessary for making approaches to runways under conditions of poor visibility; (*d*) *Approach lighting.*—Consists of a row of lights extending outward from runways to aid pilots during landings; and (*e*) *Intermediate fields.*—Are chiefly emergency landing areas provided on certain air routes at locations where provision of such facilities by local governing bodies cannot be obtained.

2. *En route traffic control aids*—(*a*) *Long-range radar.*—Aids en route air traffic control by displaying positions of

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aircraft at distances up to 230 miles; (*b*) *Air route traffic control centers.*—Covers facilities, including structures and equipment such as air/ground radio, which are used in controlling air traffic over extensive geographical areas; (*c*) *Air traffic communications stations.*—Includes structures, communications, and other equipment used to relay traffic control information and to provide other flight assistance to pilots; and (*d*) *International air traffic communications stations.*—Includes structures and long-range communications equipment for providing flight assistance and controlling traffic on transoceanic international routes.

3. *Terminal area traffic control aids—(a) Airport traffic control towers.*—Covers air/ground communications and other gear required to equip towers for controlling traffic on and around airports; and (*b*) *Terminal area radar.*—Aids traffic control in the vicinity of airports by displaying aircraft positions at distances up to 70 miles.

4. *Supporting facilities—(a) Flight inspection and logistics aircraft.*—Aircraft and equipment used to flight check accuracy and other characteristics of navigation and traffic control aids, and also to provide logistic support for remote facilities; and (*b*) *Housing utilities and miscellaneous.*—Supporting facilities necessary at remote locations, and other items not covered elsewhere.

The following table lists the major facilities already funded and those budgeted in 1959:

	Number of facilities	
	Authorized through 1958	*Proposed in 1959*
1. Air navigation facilities:		
(a) VORTAC:		
Radio omniranges	634	13
Complete VORTAC installations	47	62
Equipment to convert VOR's to VORTAC	299	150
(c) Instrument landing systems	195	19
(d) Approach lighting:		
Runway approach lighting systems	89	80
Sequenced flashing lights	36	7
2. En route traffic control aids:		
(a) Long-range radars	40	10
Air traffic control radar beacons	---	43
3. Terminal area traffic control aids:		
(a) Airport traffic control tower service	224	23
(b) Terminal area radars	62	19
Air traffic control radar beacons	---	5
Airport surface detection radars	---	10

Object Classification

	1957 actual	1958 estimate	1959 estimate
CIVIL AERONAUTICS ADMINISTRATION			
Total number of permanent positions	986	1,406	1,463
Full-time equivalent of all other positions	64	91	106
Average number of all employees	706	1,229	1,356
Number of employees at end of year	971	1,417	1,507
Average GS grade and salary	7.6 $5,180	8.1 $5,366	8.2 $5,482
Average salary of ungraded positions	$4,345	$4,432	$4,459
01 Personal services:			
Permanent positions	$3,225,740	$6,017,245	$6,773,683
Positions other than permanent	368,153	523,631	580,788
Other personal services	160,121	245,035	258,194
Total personal services	3,754,014	6,785,911	7,612,665
07 Other contractual services	415,800	713,000	1,000,000
09 Equipment	53,561,459	71,000,000	101,870,000
10 Lands and structures	17,730,688	27,053,879	31,543,008
11 Grants, subsidies, and contributions	187,613	352,644	445,916
15 Taxes and assessments	14,749	27,600	28,411
Subtotal	75,664,323	105,933,034	142,500,000
Deduct quarters and subsistence charges	303		
Total, Civil Aeronautics Administration	75,664,020	105,933,034	142,500,000
ALLOCATIONS ACCOUNTS			
07 Other contractual services	1,082	66,966	
Total obligations	75,665,102	106,000,000	142,500,000
Obligations are distributed as follows:			
Civil Aeronautics Administration	$75,664,020	$105,933,034	$142,500,000
National Bureau of Standards	1,082	6,966	
General Services Administration		60,000	

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION)

[Grants-in-aid for airports (liquidation of contract authorization):] For liquidation of obligations incurred under authority granted in the Act of August 3, 1955 (69 Stat. 441), to enter into contracts, [$25,000,000] *$30,000,000*, to remain available until expended. *(49 U. S. C. 1101–1119 as amended by sec. 4, Public Law 211, 84th Congress (69 Stat. 441); Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$25,000,000** Estimate 1959, **$30,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants for construction of airports (total obligations)	$37,491,306	$61,250,000	$73,000,000
Financing:			
Unobligated balance brought forward (contract authorization)	−33,294,103	−58,802,797	−60,552,797
Unobligated balance carried forward (contract authorization)	58,802,797	60,552,797	50,552,797
Contract authorization (new)	63,000,000	63,000,000	63,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$42,500,000	$75,500,000	$113,500,000
Contract authorization (new)	63,000,000	63,000,000	63,000,000
Unfunded balance at end of year	−75,500,000	−113,500,000	−146,500,000
Appropriation to liquidate contract authorization	30,000,000	25,000,000	30,000,000

Grants are made to local sponsors for construction at airports which are part of a national system capable of meeting the needs of civil aviation and nontactical military operations. Public Law 211, approved August 3, 1955, amended the Federal Airport Act and provided contract authorizations of $42.5 million for 1956 and $63.0 million for each of the years 1957 through 1959. The following tabulation summarizes activity under the act.

[Dollars in millions]

	1947 through 1957 actual	*1958 estimate*		*1959 estimate*	
		Appropriated funds	*Contract authorization*	*Appropriated funds*	*Contract authorization*
Airports having projects in program	1,386	80	350	----	390
Projects physically completed	2,756	60	340	100	375
Grant funds authorized	$340.3	-----	$63.0	----	$63.0
Prior year balance available	------	$7.0	$58.8	----	$60.6
Grant obligations	$274.5	$7.0	$61.2	----	$73.0
Federal expenditures	$222.1	$10.0	$30.1	$6.0	$45.5

It is estimated that an appropriation of $30 million will be required for fiscal year 1959 to pay obligations incurred under this program.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$37,491,306	$61,250,000	$73,000,000

OPERATION AND MAINTENANCE, WASHINGTON NATIONAL AIRPORT

[Maintenance and operation, Washington National Airport:] For expenses incident to the care, operation, maintenance, *improvement* and protection of the Washington National Airport, including purchase of one passenger motor vehicle for replacement only; purchase, cleaning, and repair of uniforms; and arms and ammunition; [$1,566,000] *$2,500,000. (49 U. S. C. 452; 54 Stat. 686; 61 Stat. 94; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$1,566,000** Estimate 1959, **$2,500,000**

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CIVIL AERONAUTICS ADMINISTRATION—Con.

Current authorizations—Continued

Operation and Maintenance, Washington National Airport—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Terminal area	$570,673	$629,870	$740,615
2. Hangar area	383,144	424,850	497,840
3. Landing area	334,029	371,010	473,175
4. Other areas	118,536	135,770	166,720
Total operating costs	1,406,382	1,561,500	1,878,350
Capital outlay	15,969	41,800	166,650
Total program costs	1,422,351	1,603,300	2,045,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−37,300	
Obligations incurred for costs of other years, net	73,155		455,000
Total program (obligations)	1,495,506	1,566,000	2,500,000
Financing:			
Unobligated balance no longer available	4,494		
Appropriation (new obligational authority)	1,500,000	1,566,000	2,500,000

This appropriation finances the operation and maintenance of the Washington National Airport, the air terminal facility for Washington, D. C. It serves as the primary terminal for commercial and private aeronautical activities in the metropolitan area of Washington.

Relation of costs to obligations.—The relationship is derived from year-end balances and selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$58,903	$91,365	$90,000	$90,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	41,036	81,729	45,794	500,794
Total selected resources at end of year	99,939	173,094	135,794	590,794
Selected resources at start of year (−)	−99,939	−173,094	−135,794	
Costs financed from obligations of other years, net (−)			−37,300	
Obligations incurred for costs of other years, net		73,155		455,000

While the program is financed by direct appropriation, the airport earns revenues for services to tenants and other users, including other Government agencies. Financial statements shown below relate to both this appropriation and to the construction appropriation. They reflect total operations by including in revenues amounts representing the value of unrealized revenues for services furnished other Government agencies which will not be billed or collected, such as landing fees for Government aircraft and rental for office and hangar space. Similarly, total costs reflect unfunded depreciation on all depreciable assets and interest on the Government's investments on a basis comparable to that of other major metropolitan airports.

REVENUE AND EXPENSE

	Costs to operation and maintenance appropriation	*Total accrued costs (including interest and depreciation)*	*Total revenues*	*Income or loss (−), net*
Fiscal year 1957:				
Terminal area	$570,673	$753,515	$1,066,898	$313,383
Hangar area	383,144	747,455	777,240	29,785
Landing area	334,029	880,609	631,244	−249,365
Other areas	118,536	270,779	436,466	165,687
Total	1,406,382	2,652,358	2,911,848	259,490
Unrealized revenues included above			81,942	81,942
Total, exclusive of unrealized revenue	1,406,382	2,652,358	2,829,906	177,548
Fiscal year 1958:				
Terminal area	629,870	815,845	1,099,370	283,525
Hangar area	424,850	783,652	975,940	192,288
Landing area	371,010	975,203	684,440	−290,763
Other areas	135,770	288,641	471,250	182,609
Total	1,561,500	2,863,341	3,231,000	367,659
Unrealized revenues included above			92,500	92,500
Total, exclusive of unrealized revenue	1,561,500	2,863,341	3,138,500	275,159
Fiscal year 1959:				
Terminal area	740,615	943,830	1,219,870	276,040
Hangar area	497,840	851,906	1,113,290	261,384
Landing area	473,175	1,120,360	758,140	−362,220
Other areas	166,720	319,323	539,700	220,377
Total	1,878,350	3,235,419	3,631,000	395,581
Unrealized revenues included above			90,000	90,000
Total, exclusive of unrealized revenue	1,878,350	3,235,419	3,541,000	305,581

FINANCIAL CONDITION

	1957 actual	*1958 estimate*	*1959 estimate*
Assets:			
Cash:			
With the Treasury	$2,338,860	$884,859	$788,822
Deposit funds	64,086	75,621	89,233
Accounts receivable	101,163	192,357	320,157
Supplies and materials	91,365	90,000	90,000
Land, structures, and equipment, net:			
Completed work	17,985,614	18,674,751	18,955,761
Work in process	837,465	887,831	268,818
Total assets	21,418,553	20,805,419	20,512,791
Liabilities:			
Current	109,681	124,067	140,529
Government investment	21,308,872	20,681,352	20,372,262

Object Classification

		1957 actual		1958 estimate		1959 estimate	
	Total number of permanent positions		218		224		270
	Average number of all employees		213		218		254
	Number of employees at end of year		209		220		262
	Average GS grade and salary	5.1	$4,552	5.2	$4,550	5.0	$4,390
	Average salary of ungraded positions		$4,548		$4,541		$4,425
01	Personal services:						
	Permanent positions		$971,369		$990,749		$1,127,355
	Other personal services		30,657		32,251		38,645
	Total personal services		1,002,026		1,023,000		1,166,000
02	Travel		630		1,000		1,000
03	Transportation of things		27		200		200
04	Communication services		9,788		10,000		10,000
05	Rents and utility services		195,628		224,000		237,000
06	Printing and reproduction		190		1,000		1,000
07	Other contractual services		57,820		34,800		163,800
08	Supplies and materials		204,558		203,500		222,500
09	Equipment		24,652		6,200		114,500
10	Lands and structures						510,500

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions		$62,300	$73,500
13	Refunds, awards, and indemnities	$185		
15	Taxes and assessments	2		
	Total obligations	1,495,506	1,566,000	2,500,000

Construction, Washington National Airport

[Construction, Washington National Airport: For an additional amount for "Construction, Washington National Airport," including construction, alterations, and repairs, $250,000, to remain available until expended.] (*49 U. S. C. 401; 54 Stat. 686; 61 Stat. 94.*)

Appropriated 1958, **$250,000**

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			Appropriation required to complete
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1959	
Program by activities:									
1. Terminal area projects	$1,124,664	$120,736	$244,282	$340,526	$319,120	$419,120	$100,000		
2. Hangar area projects	64,000			64,000					
3. Landing area projects	2,165,200	113,955	485,649	1,252,894	174,880	312,702	137,822		
4. Other area projects	301,404	211,684	16,140	58,580	15,000	15,000			
Total program costs	3,655,268	446,375	746,071	1,716,000	509,000	746,822	237,822		
Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (—)				−368,263	−509,000				
Obligations incurred for costs of other years (unpaid undelivered orders), net			937,756						
Total program (obligations)			1,683,827	1,347,737					
Financing:									
Unobligated balance brought forward			−2,781,564	−1,097,737					
Unobligated balance carried forward			1,097,737						
Appropriation (new obligational authority)				250,000					

Activity during 1958 and 1959 will consist primarily of completing the development program undertaken in 1956 to increase the operational capacity of the airport. Financial statements relating to both this appropriation and to the "Operation and maintenance" appropriation are included in the program and performance statement of the "Operation and maintenance" appropriation.

Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1956, $177,329; 1957, $1,115,085; 1958, $746,822; 1959, $237,822.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	CIVIL AERONAUTICS ADMINISTRATION			
	Total number of permanent positions	3	3	
	Average number of all employees	2	2	
	Number of employees at end of year	2	2	
	Average GS grade and salary	9.5 $6,330	9.5 $6,115	
	Average salary of ungraded positions	$5,366	$5,366	
01	Personal services:			
	Permanent positions	$11,747	$10,235	
	Other personal services	2,902	8,765	
	Total personal services	14,649	19,000	
07	Other contractual services	1,456,631	40	
08	Supplies and materials	2,695		
10	Lands and structures		591,568	
11	Grants, subsidies, and contributions		685	
	Total, Civil Aeronautics Administration	1,473,975	611,293	
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06	Printing and reproduction	336	3,000	
07	Other contractual services	26,244	45,944	
08	Supplies and materials	126	500	
10	Lands and structures	183,146	687,000	
	Total, General Services Administration	209,852	736,444	
	Total obligations	1,683,827	1,347,737	

Operation and Maintenance of Public Airports, Territory of Alaska

[Maintenance and operation of public airports, Territory of Alaska:] For expenses necessary for the maintenance, improvement, and operation of public airports in the Territory of Alaska, as authorized by law (48 U. S. C. 485 c–h); including arms and ammunition; *purchase of not to exceed two passenger motor vehicles for replacement only;* and purchase, repair, and cleaning of uniforms; [$700,000] *$1,200,000.* (*48 U. S. C. 485 c–h; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$700,000** Estimate 1959, **$1,200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Anchorage airport	$331,226	$371,497	$785,292
2. Fairbanks airport	239,204	278,859	364,369
3. Administration	39,976	49,644	50,339
Total obligations	610,406	700,000	1,200,000
Financing:			
Unobligated balance no longer available	7,594		
Appropriation (new obligational authority)	618,000	700,000	1,200,000

Terminal airports are operated at Anchorage and Fairbanks to serve aviation in the Territory. Charges are made for most services available and revenues are estimated at $1,145,000 in 1958 and $1,195,000 in 1959, including unrealized revenues for services to Government agencies, as compared with $1,071,702 in 1957. Legislation is now pending before the Congress to establish a revolving fund for the operation of these airports.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	64	64	66
Full-time equivalent of all other positions			1
Average number of all employees	58	61	65
Number of employees at end of year	60	62	64

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CIVIL AERONAUTICS ADMINISTRATION—Con.

Current authorizations—Continued

Operation and Maintenance of Public Airports, Territory of Alaska—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average GS grade and salary	7.0 $5,147	7.0 $5,256	7.0 $5,263
Average salary of ungraded positions	$7,128	$7,161	$7,344
01 Personal services:			
Permanent positions	$352,704	$375,524	$399,110
Positions other than permanent			6,400
Other personal services	121,461	140,463	148,966
Total personal services	474,165	515,987	554,476
02 Travel	10,648	11,900	12,400
03 Transportation of things	5,079	8,037	12,037
04 Communication services	4,616	4,792	4,792
05 Rents and utility services	18,848	22,894	22,894
06 Printing and reproduction	183		
07 Other contractual services	20,186	12,720	418,600
08 Supplies and materials	67,492	81,269	84,069
09 Equipment	7,115	18,140	64,500
11 Grants, subsidies, and contributions		24,261	26,232
13 Refunds, awards, and indemnities	652		
15 Taxes and assessments	1,422		
Total obligations	610,406	700,000	1,200,000

Air Navigation Development

[Air navigation development: For expenses necessary for planning and developing a national system of aids to air navigation and air traffic control common to military and civil air navigation, including research, experimental investigations, purchase and development, by contract or otherwise, of new types of air navigation aids (including plans, specifications, and drawings); hire of aircraft; acquisition of necessary sites by lease or grant; payments in advance under contracts for research or development work; and not to exceed $218,000 for administrative expenses; $1,500,000.] *(49 U. S. C. 401, 452, 455, 457; 31 U. S. C. 529; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$1,500,000**
Appropriated (adjusted) 1958, **$211,140**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research and development on airways facilities:			
(a) Systems engineering	$12,937		
(b) Air navigation	57,220		
(c) Air traffic control	1,229,869		
2. Administration	175,575		
Total obligations	1,475,601		
Financing:			
Comparative transfers to other accounts		$211,140	
Unobligated balance no longer available	24,399		
New obligational authority	1,500,000	211,140	
New obligational authority:			
Appropriation	$1,500,000	$1,500,000	
Transferred to "Expenses", Airways Modernization Board (31 U. S. C. 581c)		−1,288,860	
Appropriation (adjusted)	1,500,000	211,140	

Functions previously financed by this appropriation were transferred during 1958 to the Airways Modernization Board which is carried in the Independent Offices chapter of the budget.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	126		
Full-time equivalent of all other positions	7		
Average number of all employees	108		
Number of employees at end of year	134		
Average GS grade and salary	9.5 $6,894		
Average salary of ungraded positions	$5,333		

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$657,653		
Positions other than permanent	22,114		
Other personal services	8,575		
Total personal services	688,342		
02 Travel	59,419		
03 Transportation of things	9,112		
04 Communication services	71,132		
05 Rents and utility services	26,458		
06 Printing and reproduction	1,369		
07 Other contractual services	361,006		
Services performed by other agencies	7,000		
08 Supplies and materials	153,090		
09 Equipment	95,328		
10 Lands and structures	2,825		
13 Refunds, awards, and indemnities	360		
15 Taxes and assessments	160		
Total obligations	1,475,601		

[Construction and Development, Additional Washington Airport]

[For necessary expenses for the construction and development of a public airport in the vicinity of the District of Columbia, as authorized by the Act of September 7, 1950 (64 Stat. 770), including acquisition of land, $12,500,000, to remain available until expended: *Provided*, That not to exceed a total of $250,000 may be advanced from this appropriation to the applicable appropriations of the Civil Aeronautics Administration for necessary administrative expenses: *Provided further*, That such sums as may be necessary but not to exceed $100,000 shall be transferred from this appropriation to the President for expenses necessary for the investigation of alternate sites for said airport: *Provided further*, That no funds shall be expended for construction and development of said airport until the President shall make a report to the Congress with a recommendation as to the site, said report to be submitted not later than January 15, 1958.] *(64 Stat. 770; Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$12,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)		$12,500,000	
Financing:			
Appropriation (new obligational authority)		12,500,000	

Funds were appropriated in 1958 to start construction of an additional airport to serve the Washington area. No action is being taken to proceed with construction until an investigation of alternate sites is completed and a recommendation by the President has been made to the Congress for a specific site. However, the budget reflects obligations in 1958 on the assumption that work will get underway after a final site selection has been made.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		26	
Average number of all employees		15	
Number of employees at end of year		18	
Average GS grade and salary		10.3 $7,428	
01 Personal services: Permanent positions		$112,000	
02 Travel		1,700	
06 Printing and reproduction		600	
07 Other contractual services		1,162,200	
Services performed by other agencies		125,150	
08 Supplies and materials		1,300	
09 Equipment		2,000	
10 Lands and structures		11,087,850	
11 Grants, subsidies, and contributions		7,200	
Total obligations		12,500,000	

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Grants-in-Aid for Airports, Federal Airport Act

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants for construction of airports (total obligations)	$7,640,329	$6,990,637	
Financing:			
Unobligated balance brought forward	−14,630,966	−6,990,637	
Unobligated balance carried forward	6,990,637		
Appropriation (new obligational authority)			

The activity financed by this appropriation is shown in the tabulation in the program and performance statement for "Grants-in-aid for airports (liquidation of contract authorization)."

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$7,640,329	$6,990,637	

Civil Aeronautics Administration, Miscellaneous Accounts

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Claims, Federal Airport Act"		$11,019	
2. "Construction of public airports, Territory of Alaska"	$70,901	9,101	
Total obligations	70,901	20,120	
Financing:			
Unobligated balance brought forward	−222,028	−20,120	
Recovery of prior year obligations	−27,161		
Unobligated balance carried forward	20,120		
Unobligated balance no longer available	158,168		
Appropriation (new obligational authority)			

Object Classification

07	Other contractual services	$9,906	$9,101	
09	Equipment	706		
10	Lands and structures	55,950		
13	Refunds, awards, and indemnities	4,339	11,019	
	Total obligations	70,901	20,120	

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Mutual security," funds appropriated to the President.
"Aircraft and missile procurement," Department of the Air Force.
"Aircraft and missile support," Department of the Air Force.
"Research and development," Department of the Air Force.
"Military construction," Department of the Navy.
"Research and development," Department of the Navy.
"Aircraft and related procurement," Department of the Navy.
"Procurement of equipment and missiles," Department of the Army.
"Research and development," Department of the Army.
"Payments to school districts," Office of Education, Department of Health, Education, and Welfare.

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operation and construction of air navigation and related facilities:			
Department of the Air Force	$6,968,737	$22,601,782	$9,655,618
Department of the Navy	1,477,156	1,065,593	463,400
Department of the Army	272,364	298,224	797,504
2. Miscellaneous services to other accounts	3,922,965	7,405,081	5,298,478
Total obligations	12,641,222	31,370,680	16,215,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Advances and reimbursements from—			
Other accounts	$11,877,636	$30,598,450	$15,467,890
Non-Federal sources	763,586	772,230	747,110
Total financing	12,641,222	31,370,680	16,215,000

Note.—Reimbursements from non-Federal sources above are from sale of personal property (40 U. S. C. 481 (c)); servicing of aircraft for foreign governments (49 U. S. C. 1154); and Public Law 647 activities (49 U. S. C. 1151).

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,297	1,354	1,380
	Full-time equivalent of all other positions	116	44	33
	Average number of all employees	1,002	1,194	1,252
	Number of employees at end of year	1,210	1,374	1,397
	Average GS grade and salary	8.5 $5,667	8.5 $5,698	8.3 $5,595
	Average salary of ungraded positions	$4,790	$5,022	$4,983
01	Personal services:			
	Permanent positions	$4,946,401	$6,339,676	$6,531,600
	Positions other than permanent	522,433	230,754	200,890
	Other personal services	495,662	503,231	476,737
	Total personal services	5,964,496	7,073,661	7,209,227
02	Travel	239,466	238,122	99,591
03	Transportation of things	95,323	133,158	130,815
04	Communication services	1,094,342	665,948	650,430
05	Rents and utility services	111,118	162,005	140,378
06	Printing and reproduction	1,850	2,123	1,817
07	Other contractual services	725,404	1,028,453	786,691
08	Supplies and materials	1,406,029	1,898,603	1,584,301
09	Equipment	1,762,876	18,345,958	1,252,376
10	Lands and structures	1,229,437	1,429,438	3,984,465
11	Grants, subsidies, and contributions	20,395	397,289	377,049
13	Refunds, awards, and indemnities	186		
15	Taxes and assessments	3,502	4,993	7,439
	Subtotal	12,654,424	31,379,751	16,224,579
	Deduct quarters and subsistence charges	13,202	9,071	9,579
	Total obligations	12,641,222	31,370,680	16,215,000

CIVIL AERONAUTICS BOARD

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For necessary expenses of the Civil Aeronautics Board, including contract stenographic reporting services; employment of temporary guards on a contract or fee basis; salaries and traveling expenses of employees detailed to attend courses of training conducted by the Government or industries serving aviation; *purchase (one for replacement only)*, hire, operation, maintenance, and repair of aircraft; expenses of attendance at meetings of organizations concerned with the activities of this appropriation; hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed $50 per diem; [$5,489,400] *and not to exceed $1,500 for entertainment of officials of other countries when specifically authorized by the Board; $6,100,000. (49 U. S. C. 176, 401–722; 71 Stat. 349 and 629; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$5,489,400** Estimate 1959, **$6,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Economic regulation	$2,444,257	$2,970,400	$3,360,800
2. Safety activities	1,013,908	1,194,100	1,311,700
3. Legal staff activities	324,608	401,000	459,300
4. Executive direction	329,190	355,600	361,000
5. Administration and service activities	495,154	568,300	607,200
Total obligations	4,607,117	5,489,400	6,100,000
Financing:			
Unobligated balance no longer available	17,883		
Appropriation (new obligational authority)	4,625,000	5,489,400	6,100,000

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CIVIL AERONAUTICS BOARD—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The Board regulates the economic aspects of air carrier operations, both domestic and international; promulgates safety rules and standards; investigates aircraft accidents; and participates in the development of international air transportation. The increase proposed for 1959 is for continuing on a full-year basis in 1959 the program increases authorized in 1958 and for additional expansion in certain critical program areas, primarily in the routes, rates, and safety areas.

1. *Economic regulation.*—This includes granting certificates of public convenience and necessity; prescribing or approving rates and rate practices of air carriers; fixing mail rate compensation; preventing unfair competition; approving business relationships between air carriers; prescribing accounting regulations and a uniform system of carrier accounts; and enforcing the economic provisions of the act.

2. *Safety activities.*—These consist of promulgation of civil air regulations; adjudication of complaints alleging violations of these regulations; the coordination of the civil air regulations with international safety standards and practices; and investigation of civil aircraft accidents to determine probable cause. Potential hazards are also investigated, and preventive measures are recommended and put into effect.

3. *Legal staff activities.*—Legal advice and assistance is provided on all aspects of economic and safety regulatory activities; opinions of the Board are prepared; and litigation matters are handled.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Certificate and permit applications:			
Filed during year	253	370	370
Disposed of during year	186	344	405
Mail rate proceedings:			
Completed during year	45	42	38
Pending at end of year	40	36	24
Economic hearings completed	79	90	105
Dockets uncompleted at end of year (exclusive of rate cases)	1,425	1,275	1,273
Field audits completed	57	70	74
Safety:			
Aircraft accident investigations completed	303	315	326
Amendments and additions made to civil air regulations	64	78	73
Enforcement:			
Economic proceedings completed	1,055	1,290	1,431
Safety proceedings completed	538	598	648

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	641	713	764
Full-time equivalent of all other positions	2		
Average number of all employees	606	671	739
Number of employees at end of year	602	695	745
Average GS grade and salary	9.0 $6,627	9.1 $6,556	9.1 $6,565
01 Personal services:			
Permanent positions	$4,037,396	$4,458,300	$4,915,700
Positions other than permanent	12,946		
Other personal services	15,617	28,400	30,000
Total personal services	4,065,959	4,486,700	4,945,700
02 Travel	217,791	262,900	350,600
03 Transportation of things	4,078	9,700	9,700
04 Communication services	72,346	78,000	86,100
05 Rents and utility services	32,827	36,000	47,000
06 Printing and reproduction	38,645	123,000	84,700
07 Other contractual services	39,025	34,000	36,200
Services performed by other agencies	62,162	78,500	91,200
08 Supplies and materials	51,299	55,800	63,400
09 Equipment	18,585	43,300	63,700
11 Grants, subsidies, and contributions		277,000	317,200
13 Refunds, awards, and indemnities	2,490	2,500	2,500
15 Taxes and assessments	1,910	2,000	2,000
Total obligations	4,607,117	5,489,400	6,100,000

PAYMENTS TO AIR CARRIERS

[Payments to air carriers:] For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 486), as is payable by the Civil Aeronautics Board pursuant to Reorganization Plan No. 10 of 1953; [$37,228,000] *$40,750,000*, to remain available until expended: *Provided, That payments to lenders required as a consequence of any loan guaranty under the provisions of the Act of September 7, 1957 (71 Stat. 629), are authorized to be made from this appropriation. (39 U. S. C. 488 (a); 49 U. S. C. 402; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$37,228,000** Estimate 1959, **$40,750,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Domestic trunklines	$1,713,920	$79,688	
2. Local service operations	25,876,820	31,069,492	$32,030,984
3. Helicopter operations	3,113,427	4,534,200	4,115,000
4. Alaskan operations	5,868,748	6,187,750	5,711,850
5. Hawaiian operations	215,970	44	
6. International operations	3,574,855	1,241,224	781,000
Total obligations	40,363,740	43,112,398	42,638,834
Financing:			
Recovery of prior year obligation	−8,917,848	−2,339,621	
Unobligated balance brought forward	−17,098,810	−1,852,918	
Unobligated balance carried forward	1,852,918		
Unfunded obligations against indefinite authorization:			
Brought forward			1,691,859
Carried forward		−1,691,859	−3,580,693
Appropriation (new obligational authority)	16,200,000	37,228,000	40,750,000

The Board fixes rates for transportation of airmail to promote the development of air transportation required for the commerce of the United States, the postal service, and national defense. Many of these rates include an element of subsidy. The subsidy portion is paid by the Civil Aeronautics Board, and the service portion is paid by the Post Office Department.

The obligations shown above, less the obligated balances recovered, reflect the amounts recorded each year as due the air carriers. These sums cover services performed during the year, computed at rates then in effect, plus or minus such adjustments as are needed to reflect the issuance, during the year, of final rate orders affecting prior years. Approximately 1 to 2 months of obligations are due but unpaid at the end of any year.

The following table reflects the estimated amounts becoming due finally for each year, together with the adjustments between years:

ESTIMATED SUBSIDY EARNINGS AND OBLIGATIONS RELATED TO APPROPRIATIONS

	1957 actual	*1958 estimate*	*1959 estimate*
Estimated subsidy earnings under final Board action:			
Domestic trunklines	$1,467,803		
Local service operations	27,264,765	$29,795,662	$29,722,024
Helicopter operations	3,535,275	4,074,480	4,417,800
Alaskan operations	6,053,645	5,952,598	5,806,833
Hawaiian operations	215,139		
International operations	3,573,452	789,000	781,000
Total earnings	42,110,079	40,611,740	40,727,657
Earnings in prior years recorded within the year	813,790	4,153,892	2,443,960
Reduction of earnings recorded in prior years	−8,917,848	−2,339,621	
Earnings of the year recorded in later years	−2,560,129	−1,653,234	−532,783
Total obligations (less recoveries)	31,445,892	40,772,777	42,638,834

The following analysis shows the subsidy outlook for 1959 under final Board actions:

	Carrier units	
	Nonsubsidized	*Subsidized*
Domestic:		
Domestic trunklines	12	--
Local service operations		13
Helicopter operations	..	3

All domestic trunklines have been in a nonsubsidized status since 1957. Subsidy need for local service and helicopter operations has increased as a result of certification of new feeder services and increasing costs.

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	Carrier units		
	Non-subsidized	Subsidized	
Territorial:			
Alaskan operations	1	7	Subsidy will continue to support routes between United States and Alaska and to remote locations.
Hawaiian operations	2	..	
International	11	1	All international carriers have been in a nonsubsidized status since 1957, with the exception of Braniff Airways' services to South America.

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$40,363,740	$43,112,398	$42,638,834

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Economic regulation	$494	$500	$500
2. Safety activities	3		
4. Executive direction	405	400	400
5. Administration and service activities	95	100	100
Total obligations	997	1,000	1,000
Financing:			
Advances and reimbursements from non-Federal sources (40 U. S. C. 481 (c))	997	1,000	1,000

Object Classification

04	Communication services	$2		
09	Equipment	995	$1,000	$1,000
	Total obligations	997	1,000	1,000

COAST AND GEODETIC SURVEY

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary to carry out the provisions of the Act of August 6, 1947 (33 U. S. C. 883a–883i), [including purchase of not to exceed three passenger motor vehicles for replacement only;] uniforms or allowances therefor, as authorized by the Act of September 1, 1954 [(68 Stat. 1114)], as amended *(5 U. S. C. 2131)*; lease of sites and the erection of temporary buildings for tide, magnetic or seismological observations; hire of aircraft; operation, maintenance, and repair of an airplane; extra compensation at not to exceed $15 per month to each member of the crew of a vessel when assigned duties as recorder or instrument observer, and at not to exceed $1 per day for each station to employees of other Federal agencies while making oceanographic observations or tending seismographs; pay, allowances, gratuities, transportation of dependents and household effects, and payment of funeral expenses, as authorized by law, for not to exceed 185 commissioned officers on the active list; payments under the Uniform Services Contingency Option Act of 1953; and pay of commissioned officers retired in accordance with law; [$11,550,000] *$11,750,000*, of which [$566,000] *$622,000* shall be available for retirement pay of commissioned officers: *Provided*, That during the current fiscal year, this appropriation shall be reimbursed for press costs and costs of paper for charts published by the Coast and Geodetic Survey and furnished for the official use of the military departments of the Department of Defense. *(5 U. S. C. 591, 597; 33 U. S. C. 851, 852, 853a–853r, 854–858, 860–865, 870, 873, 874, 883a–883i; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$11,550,000** Estimated 1959, **$11,750,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Direct program by activities:			
Operating costs:			
1. Surveys and charts for marine and air navigation	$6,828,087	$7,423,662	$7,618,600
2. Geodetic control	2,232,776	2,081,000	2,081,000
3. Earthquake investigation	171,464	185,000	185,000
4. Instrument services	242,946	277,000	277,000
5. Retired pay, commissioned officers	484,689	566,000	622,000
6. Administration	726,169	743,000	743,000
Total direct operating costs	10,686,131	11,275,662	11,526,600
Capital outlay	343,382	499,500	337,000
Total direct program costs	11,029,513	11,775,162	11,863,600
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−95,463	−225,162	−113,600
Total direct program (obligations)	10,934,050	11,550,000	11,750,000
Reimbursable program by activities:			
1. Surveys and charts for marine and air navigation	2,752,284	2,281,000	1,881,000
2. Geodetic control	743,153	1,291,000	678,000
3. Earthquake investigation	87,470	117,000	58,000
4. Instrument services	23,286	32,000	45,000
6. Administration	138,975	165,000	93,000
Total reimbursable program costs	3,745,168	3,886,000	2,755,000
7. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−78,000	
Obligations incurred for costs of other years (unpaid undelivered orders), net	131,018		
Total reimbursable program (obligations)	3,876,186	3,808,000	2,755,000
Total program (obligations)	14,810,236	15,358,000	14,505,000
Financing:			
Advances and reimbursements from—			
Department of the Air Force	−1,277,678	−907,000	−1,037,000
Department of the Army	−421,805	−226,000	−55,000
Department of the Navy	−1,116,424	−1,009,000	−297,000
Department of Commerce	−115,514	−412,000	−485,000
National Science Foundation	−331,590	−212,000	−322,000
Miscellaneous Federal agencies	−254,893	−299,000	−229,000
Miscellaneous non-Federal sources	−282,602	−739,000	−315,000
Proceeds from sale of personal property applied (40 U. S. C. 481 (c))	−75,680	−4,000	−15,000
Unobligated balance no longer available	6,950		
New obligational authority	10,941,000	11,550,000	11,750,000
New obligational authority:			
Appropriation	$10,900,000	$11,550,000	$11,750,000
Transferred from "Expenses," National Bureau of Standards (71 Stat. 177)	41,000		
Appropriation (adjusted)	10,941,000	11,550,000	11,750,000

NOTE.—Reimbursements from non-Federal sources were derived from the sale of special maps and charts and for providing special surveys and related data (33 U. S. C. 883 (e)).

The survey publishes aeronautical and nautical navigation charts of the United States, its Territories, and surrounding waters, using data obtained through field surveys. In addition, seismological and geodetic control data are obtained and disseminated, and worldwide tide and current information is compiled and published.

Direct program by activities—1. *Surveys and charts for marine and air navigation.*—Hydrographic, topographic, tide and current, magnetic, and aeronautical surveys are made to secure information for nautical and aeronautical charts and tables required for safe sea and air navigation.

Miscellaneous receipts returned to the Treasury from the sale of charts and related publications were $618,060 in 1957 and are estimated to be $650,000 during 1958, and approximately the same in 1959.

CHARTS AND TABLES PRINTED AND DISTRIBUTED

	1957 actual	*1958 estimate*	*1959 estimate*
Nautical charts:			
Military	482,522	440,000	440,000
Other	552,404	560,000	560,000
Total	1,034,926	1,000,000	1,000,000

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COAST AND GEODETIC SURVEY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

CHARTS AND TABLES PRINTED AND DISTRIBUTED—continued

	1957 actual	*1958 estimate*	*1959 estimate*
Standard aeronautical charts:			
Military	8,499,043	7,992,000	8,236,400
Other	1,392,080	1,666,000	1,719,600
Total	9,891,123	9,658,000	9,956,000
Airport, radio facility, etc.:			
Military	37,566,070	24,518,300	36,221,000
Other	6,154,510	5,510,000	16,344,000
Total	43,720,580	30,028,300	52,565,000
Coast pilots, tide and current tables	82,715	83,000	83,000

2. *Geodetic control.*—Surveys are made in the United States and its Territories to determine the horizontal position (latitude and longitude) and the vertical positions (elevation above mean sea level) of a network of control points which are permanently marked on the ground. These points are spaced so that adequate survey control is available for topographic, geologic, and other types of mapping, and for planning large-scale engineering projects. The positions and descriptions of these points are published and distributed to Federal, State, and local agencies and the general public.

AREA SURVEYED AND MARKED POINTS ESTABLISHED

	1957 actual	*1958 estimate*	*1959 estimate*
Triangulation:			
Area (square miles)	44,110	40,000	40,000
Marks established	1,234	1,200	1,200
Leveling:			
Linear miles	7,020	7,000	7,000
Marks established	5,060	5,000	5,000

3. *Earthquake investigation.*—Earthquakes are located and investigated to determine their severity and to obtain engineering data for the design of earthquake-resistant structures. The Bureau operates 7 seismograph stations, field investigates an average of 15 severe earthquakes annually, operates 71 strong motion stations in the seismic area of the Western States, collaborates with 13 universities, and cooperates with 150 domestic and foreign seismograph stations to determine the location of distant earthquakes.

4. *Instrument services.*—These include the design and construction, maintenance, storage, and issuance of intricate instruments used in surveying and processing operations.

7. *Relation of costs to obligations.*—The relationship between direct cost and direct obligations is derived from year-end balance of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$449,466	$262,391	$635,131	$550,504
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	698,182	799,917	225,704	194,731
Inventory of charts and publications for issue	332,556	355,630	356,000	356,000
Work in process (charts and publications)	34,928	66,348	66,000	68,000
Total selected resources at end of year	1,515,132	1,484,286	1,282,835	1,169,235
Selected resources at start of year (−)	−1,515,132	−1,484,286	−1,282,835	
Adjustment of selected resources reported at start of year		−64,402	−23,711	
Decrease (−) in selected resources		−95,248	−225,162	−113,600
Property or services transferred in (−) or out without charge, net		−215		
Costs financed from obligation of other years, net (−)		−95,463	−225,162	−113,600

Reimbursable program.—Reimbursable work for other Federal agencies provides products or services, the performance of which is of a special nature not normally available, and is in conformance with the Economy Act of 1932 (31 U. S. C. 686) and the basic act defining the functions of the Coast and Geodetic Survey. The major part of this activity is to provide aeronautical and nautical charts of the United States and its Territories to user agencies and to perform geodetic control surveys where required.

Reimbursements from non-Federal sources are primarily from States to carry out geodetic surveys required as part of the interstate highway program.

7. *Relations of costs to obligations.*—Year-end balances of unpaid undelivered orders applicable to the reimbursable program are as follows: 1957, $131,018; 1958, $53,018; 1959, $53,018.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,575	1,554	1,574
Full-time equivalent of all other positions	479	467	357
Average number of all employees	1,938	1,922	1,832
Number of employees at end of year	2,030	2,023	1,882
Average GS grade and salary	6.9 $5,206	6.8 $5,247	6.7 $5,254
Average salary of ungraded positions:			
Wage board employees	$5,910	$6,196	$6,165
Crews of vessels	$3,592	$3,818	$3,817
Personal service costs:			
Permanent positions	$8,099,805	$8,124,400	$8,238,700
Positions other than permanent	1,789,241	1,704,200	1,167,100
Other personal services	408,908	546,600	527,200
Total personal service costs	10,297,954	10,375,200	9,933,000
Direct program cost:			
01 Personal services	7,980,145	8,080,400	8,218,300
02 Travel	513,312	475,000	478,100
03 Transportation of things	88,682	84,700	84,700
04 Communication services	92,989	94,600	94,600
05 Rents and utility services	85,937	106,100	106,100
06 Printing and reproduction	83,689	95,000	95,000
07 Other contractual services	169,025	175,000	175,900
Repairs of vessels	148,215	107,200	107,200
08 Supplies and materials	745,248	783,700	800,900
Chart and bond paper	173,220	179,400	206,400
Repairs of vessels	89,058	65,000	65,000
09 Equipment	361,760	518,200	355,700
Repairs of vessels	2,573	2,400	2,400
11 Grants, subsidies, and contributions		434,600	443,500
12 Pensions, annuities, and insurance claims (pay of retired officers)	484,689	566,000	622,000
13 Refunds, awards, and indemnities	2,403		
15 Taxes and assessments	15,164	14,200	14,200
Subtotal	11,036,109	11,781,500	11,870,000
Deduct quarters and subsistence charges	−6,596	−6,338	−6,400
Total direct program costs	11,029,513	11,775,162	11,863,600
Costs financed from obligations of other years, net (−)	−95,463	−225,162	−113,600
Total direct program (obligations)	10,934,050	11,550,000	11,750,000
Reimbursable program costs:			
01 Personal services	2,317,809	2,294,800	1,714,700
02 Travel	240,177	230,300	203,400
03 Transportation of things	50,357	43,000	34,800
04 Communication services	20,086	23,000	22,000
05 Rents and utility services	32,312	42,100	36,300
07 Other contractual services	58,887	45,400	62,100
Repairs of vessels	1,907	56,700	6,000
08 Supplies and materials	361,909	328,500	183,900
Chart and bond paper	536,731	355,300	350,000
09 Equipment	118,886	354,400	42,400
Repairs of vessels	2,518		
11 Grants, subsidies, and contributions		111,000	98,600
13 Refunds, awards, and indemnities	103		
15 Taxes and assessments	3,486	1,500	800
Total reimbursable program costs	3,745,168	3,886,000	2,755,000
Costs financed from obligations of other years, net (−)		−78,000	
Obligations incurred for costs of other years, net	131,018		
Total reimbursable program (obligations)	3,876,186	3,808,000	2,755,000
Total program (obligations)	14,810,236	15,358,000	14,505,000

[CONSTRUCTION OF A SURVEYING SHIP]

[For an additional amount for "Construction of a surveying ship", $2,400,000, to remain available until expended.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$2,400,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design and supervision	$20,534	$26,188	$55,000
2. Construction		973,812	4,145,000
3. Equipment and outfitting		46,000	284,000
Total program costs	20,534	1,046,000	4,484,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−4,374,534
Obligations incurred for costs of other years (unpaid undelivered orders), net		4,924,000	
Total program (obligations)	20,534	5,970,000	109,466
Financing:			
Unobligated balance brought forward		−3,679,466	−109,466
Unobligated balance carried forward	3,679,466	109,466	
Appropriation (new obligational authority)	3,700,000	2,400,000	

The contract for the construction of the major survey vessel was awarded by the Maritime Administration on September 19, 1957. Construction time is estimated at 20 months. The estimated cost of the ship is as follows:

1. Design and supervision	$101,722
2. Construction	5,668,278
3. Equipment and outfitting	330,000
Total program	6,100,000

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $4,924,000; 1959, $549,466.

Object Classification

	1957 actual	1958 estimate	1959 estimate
COAST AND GEODETIC SURVEY			
07 Other contractual services: Services performed by other agencies	$4,722		
09 Equipment		$46,000	$284,000
Total, Coast and Geodetic Survey	4,722	46,000	284,000
ALLOCATION TO MARITIME ACTIVITIES			
07 Other contractual services	15,812	26,188	55,000
09 Equipment		973,812	4,145,000
Total, maritime activities	15,812	1,000,000	4,200,000
Total program costs	20,534	1,046,000	4,484,000
Costs financed from obligations of other years, net (−)			−4,374,534
Obligations incurred for costs of other years, net		4,924,000	
Total program (obligations)	20,534	5,970,000	109,466

Construction and Equipment, Geomagnetic Station

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay:			
1. Design and supervision	$854		
2. Construction	34,291	$1,698	
3. Equipment	15,157		
Total program costs	50,302	1,698	
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−30,504	−1,698	
Total program (obligations)	19,798		
Financing:			
Unobligated balance brought forward	−18,867		
Recovery of prior year obligations	−2,265		
Unobligated balance no longer available	1,334		
Appropriation (new obligational authority)			

The construction of the geomagnetic station and observer's quarters was completed during 1955. Installation and calibration of equipment was completed during 1957.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1956, $32,202; 1957, $1,698.

Object Classification

	1957 actual	1958 estimate	1959 estimate
COAST AND GEODETIC SURVEY			
09 Equipment	$15,157		
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	222		
07 Other contractual services	632		
09 Equipment	4,139		
10 Lands and structures	30,152	$1,698	
Total program costs, allocation accounts	35,145	1,698	
Total program costs	50,302	1,698	
Costs financed from obligations of other years, net (−)	−30,504	−1,698	
Total program (obligations)	19,798		

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriations as follows:
"International Geophysical Year, National Science Foundation."
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For necessary expenses of the Business and Defense Services Administration, including transportation and not to exceed $15 per diem in lieu of subsistence for persons serving without compensation while away from their homes or regular places of business, [$5,682,000] *$7,650,000. (5 U. S. C. 591, 596–7; 15 U. S. C. 171, 175; 64 Stat. 823; 65 Stat. 65; 50 U. S. C., App. 2061–2166; Reorganization Plan No. 5 of 1950, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$5,682,000** Estimate 1959, **$7,650,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Industry service	$3,669,181	$2,679,000	$3,212,000
2. Marketing and distribution service	154,858	165,000	240,000
3. Technical information service	476,635	431,000	1,791,000
4. Field service	1,966,122	2,155,000	2,155,000
5. Executive direction	258,531	252,000	252,000
Total obligations	6,525,327	5,682,000	7,650,000
Financing:			
Comparative transfers to other accounts	371,063		
Unobligated balance no longer available	48,610		
New obligational authority	6,945,000	5,682,000	7,650,000
New obligational authority:			
Appropriation	$6,975,000	$5,682,000	$7,650,000
Transferred to "Salaries and expenses," general administration (64 Stat. 1263)	−30,000		
Appropriation (adjusted)	6,945,000	5,682,000	7,650,000

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BUSINESS AND DEFENSE SERVICES ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The Administration provides statistical and informational services to the business community and carries out industrial mobilization readiness programs.

1. *Industry service.*—A focal point for the cooperation of Government and industry is provided in promoting economic stability and growth of industry; industrial and commercial information is analyzed, and basic, special and periodic studies and reports for use by both industry and Government are published; industrial capabilities to meet the requirements for industrial production in a national emergency are measured; and assistance is provided to industry in the current military procurement programs. The increase for the budget year will expand the programs of services to industry and mobilization planning.

2. *Marketing and distribution service.*—The Office of Distribution promotes the more effective distribution of goods and services by disseminating market facts and distribution information to Government, industry, and business. The increase is to strengthen these activities in 1959.

3. *Technical information service.*—Scientific and technical data are compiled primarily from Government research and made available upon request to business, industry, the general public, and Government agencies. In addition, direct assistance is furnished to industry in the development of voluntary programs for standardization of commodities. The major increase is for a translation center and clearinghouse for foreign scientific and technical information to be made available to the public on a fee basis. A 1958 supplemental is also anticipated for early initiation of this program.

4. *Field service.*—Thirty-three field offices, with assistance from local cooperating organizations, make available to the business community information and services of the Department, gather information on local business trends and developments for use of the Department and other agencies, and provide services for the Bureau of Foreign Commerce on export and import operations, including guidance on regulations and restrictions in effect here and abroad.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	818	680	887
Full-time equivalent of all other positions	6	3	4
Average number of all employees	780	663	856
Number of employees at end of year	754	669	874
Average GS grade and salary	9.1 $7,079	9.0 $7,035	8.7 $6,699
01 Personal services:			
Permanent positions	$5,485,107	$4,668,000	$5,693,100
Positions other than permanent	40,825	25,000	30,000
Other personal services	2,154	19,000	22,900
Total personal services	5,528,086	4,712,000	5,746,000
02 Travel	181,223	147,000	187,000
03 Transportation of things	8,582	8,000	9,000
04 Communication services	170,114	167,000	183,000
05 Rents and utility services	1,939		
06 Printing and reproduction	190,867	119,000	192,000
07 Other contractual services	179,991	62,000	548,000
Services performed by other agencies	186,169	106,000	306,000
08 Supplies and materials	54,783	49,000	58,000
09 Equipment	20,039	16,000	58,000
11 Grants, subsidies, and contributions		292,000	358,500
13 Refunds, awards, and indemnities	2,008	2,000	2,000
15 Taxes and assessments	1,526	2,000	2,500
Total obligations	6,525,327	5,682,000	7,650,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Collection and dissemination of basic research (National Science Foundation)	$17,040	$45,000	
2. Dissemination of technical information	74,509	200,000	$200,000
3. Miscellaneous services to other accounts	25,078		
4. Prior year advances returned	14,109		
Total obligations	130,736	245,000	200,000
Financing:			
Unobligated balance brought forward	24,924		
Advances and reimbursements from—			
Other accounts	31,303	45,000	
Non-Federal sources (15 U. S. C. 189a, 192; 31 U. S. C. 725s)	74,509	200,000	200,000
Total financing	130,736	245,000	200,000

Object Classification

Total number of permanent positions		5		13		13
Average number of all employees		3		12		12
Number of employees at end of year		4		12		12
Average GS grade and salary	5.4	$4,313	4.6	$3,995	4.6	$3,995
01 Personal services: Permanent positions		$13,605		$50,000		$50,000
02 Travel		83				
03 Transportation of things		44		3,000		3,000
06 Printing and reproduction		68,492		158,000		133,000
07 Other contractual services		33,375		25,000		5,000
08 Supplies and materials		636		6,000		6,000
09 Equipment		392				
11 Grants, subsidies, and contributions				3,000		3,000
13 Refunds, awards, and indemnities		14,109				
Total obligations		130,736		245,000		200,000

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Technical information service (total obligations)		$300,000	
Financing:			
Proposed supplemental appropriation		300,000	

Under existing legislation, 1958.—A supplemental appropriation is anticipated for 1958 to establish a translation center and clearinghouse for foreign scientific and technical information to be made available to the public on a fee basis.

OFFICE OF AREA DEVELOPMENT

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Office of Area Development, $395,000. (*5 U. S. C. 591, 596–7; 15 U. S. C. 171, 175; 64 Stat. 823; 50 U. S. C., App. 2061–2166; Reorganization Plan No. 5 of 1950, sec. 4, 64 Stat. 1263: Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$395,000** Estimate 1959, **$395,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Area economic development services (total obligations)	$371,063	$395,000	$395,000
Financing:			
Comparative transfers from (−) other accounts	−371,063		
Appropriation (new obligational authority)		395,000	395,000

The Office of Area Development assists State and local communities in economic development matters and counsels industry and Government regarding the Federal industrial dispersion program. It serves as a clearinghouse for area groups seeking to diversify and strengthen their economies.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	47	47	47
Full-time equivalent of all other positions	3	1	1
Average number of all employees	45	43	44
Number of employees at end of year	49	45	46
Average GS grade and salary	9.0 $6,720	8.9 $6,646	8.7 $6,664
01 Personal services:			
Permanent positions	$234,021	$303,200	$308,795
Positions other than permanent	24,205	11,700	10,555
Other personal services	386	1,500	1,500
Total personal services	258,612	316,400	320,850
02 Travel	20,940	26,000	26,000
03 Transportation of things	285	1,000	1,000
04 Communication services	5,334	6,000	5,000
05 Rents and utility services	428		
06 Printing and reproduction	13,553	15,000	12,000
07 Other contractual services	5,521	4,000	2,650
Services performed by other agencies	54,300	5,000	4,000
08 Supplies and materials	5,449	2,000	2,000
09 Equipment	6,153	1,100	1,000
11 Grants, subsidies, and contributions		18,000	20,000
15 Taxes and assessments	488	500	500
Total obligations	371,063	395,000	395,000

BUREAU OF FOREIGN COMMERCE

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For necessary expenses of the Bureau of Foreign Commerce, including the purchase of commercial and trade reports, [$2,353,250] *$2,448,000. (5 U. S. C. 591, 596–597; 15 U. S. C. 171; 1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$2,353,250** Estimate 1959, **$2,448,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Promotion of U. S. foreign commerce and investment (total obligations)	$2,359,658	$2,353,250	$2,448,000
Financing:			
Unobligated balance no longer available	40,342		
Appropriation (new obligational authority)	2,400,000	2,353,250	2,448,000

Information on foreign markets on the commercial regulations and business customs of foreign countries, and on the economic potential of geographical areas at home and abroad is compiled and disseminated to the business community.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	306	292	302
Full-time equivalent of all other positions	1	1	1
Average number of all employees	286	282	293
Number of employees at end of year	288	284	302
Average GS grade and salary	8.9 $6,807	8.9 $6,896	9.1 $6,865
01 Personal services:			
Permanent positions	$1,959,271	$1,928,020	$2,006,365
Positions other than permanent	11,098	8,000	8,000
Other personal services	8,879	7,460	7,830
Total personal services	1,979,248	1,943,480	2,022,195
02 Travel	94,135	30,000	30,000
03 Transportation of things	2,687	100	100
04 Communication services	35,208	36,500	37,220
05 Rents and utility services	7,361		
06 Printing and reproduction	145,757	165,000	167,500
07 Other contractual services	40,675	15,000	15,700
Services performed by other agencies	21,406	22,000	22,900
08 Supplies and materials	18,113	18,000	18,900
09 Equipment	11,242		
11 Grants, subsidies, and contributions	2,393	122,870	133,185
13 Refunds, awards, and indemnities	1,150		
15 Taxes and assessments	283	300	300
Total obligations	2,359,658	2,353,250	2,448,000

Export Control

[Export control: For expenses necessary for carrying out the provisions of the Export Control Act of 1949, as amended, relating to export controls, including awards of compensation to informers under said Act and as authorized by the Act of August 13, 1953 (22 U. S. C. 401), $3,060,000, of which not to exceed $1,006,000 may be advanced to the Bureau of Customs, Treasury Department, for enforcement of the export control program, and of which not to exceed $93,400 may be advanced to the appropriation for "Salaries and expenses" under General administration.] *(1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$3,060,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Export control (total obligations)	$2,811,452	$3,060,000	
Financing:			
Unobligated balance no longer available	82,548		
New obligational authority	2,894,000	3,060,000	
New obligational authority:			
Appropriation	$3,000,000	$3,060,000	
Transferred to "Salaries and expenses," general administration (64 Stat. 1263)	−106,000		
Appropriation (adjusted)	2,894,000	3,060,000	

Export controls protect the domestic economy from excessive drain of scarce commodities, safeguard the national security by regulating exports of strategic commodities, and implement foreign policy. The Bureau of Customs is responsible for the policing of shipments at points of export. Since legislation providing for these activities expires June 30, 1958, the 1959 requirements are shown as a supplemental under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	286	281	
Average number of all employees	255	269	
Number of employees at end of year	279	271	
Average GS grade and salary	8.1 $6,208	8.0 $6,227	

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BUREAU OF FOREIGN COMMERCE—Continued

Current authorizations—Continued

[EXPORT CONTROL]—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
01	Personal services:			
	Permanent positions	$1,601,828	$1,683,390	
	Other personal services	14,410	6,110	
	Total personal services	1,616,238	1,689,500	
02	Travel	12,821	14,300	
03	Transportation of things	434	450	
04	Communication services	50,023	58,750	
05	Rents and utility services	1,976		
06	Printing and reproduction	44,066	61,280	
07	Other contractual services	10,166	11,010	
	Services performed by other agencies	1,056,248	1,105,500	
08	Supplies and materials	8,385	10,250	
09	Equipment	9,989	3,200	
11	Grants, subsidies, and contributions		105,360	
13	Refunds, awards, and indemnities	900		
15	Taxes and assessments	206	400	
	Total obligations	2,811,452	3,060,000	

Proposed for later transmission:

EXPORT CONTROL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Export control (total obligations)			$3,060,000
Financing:			
Proposed supplemental appropriation			3,060,000

Under proposed legislation, 1959.—The Export Control Act of 1949, as amended, expires June 30, 1958. It is assumed that the act will be extended and it is anticipated that $3,060,000 will be required for this activity for 1959.

OFFICE OF BUSINESS ECONOMICS

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Office of Business Economics, [$1,035,000] *$1,317,000. (5 U. S. C. 591, 596–597; 15 U. S. C. 171, 175: Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$1,035,000** Estimate 1959, **$1,317,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Preparation of national income and product data	$235,709	$300,050	$502,050
2. Analysis of business trends	395,629	404,460	434,460
3. Computation of the balance of international payments	210,109	223,420	273,420
4. Executive direction	116,296	107,070	107,070
Total obligations	957,743	1,035,000	1,317,000
Financing:			
Unobligated balance no longer available	2,257		
Appropriation (new obligational authority)	960,000	1,035,000	1,317,000

Basic indicators of the condition of the national economy and current analyses of business trends are prepared and distributed to the public.

1. *Preparation of national income and product data.*—Calculations are made of the national income and gross national product, consumption expenditures, and other subsidiary measures of the Nation's economic well-being. The additional amount is to extend the statistics of real national product and interindustry flows in the various segments of the national economy.

2. *Analysis of business trends.*—Business developments are assessed monthly, and the results of continuing analysis of the major underlying factors and long-range business trends are published regularly for business use.

3. *Computation of the balance of international payments.*—The United States balance of international payments is determined and the official statistics of foreign expenditures by the U. S. Government are maintained.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	144	141	186
Average number of all employees	128	138	180
Number of employees at end of year	138	140	186
Average GS grade and salary	8.3 $6,208	8.2 $6,193	8.1 $5,992
01 Personal services:			
Permanent positions	$810,215	$847,612	$1,074,115
Other personal services		3,388	4,360
Total personal services	810,215	851,000	1,078,475
02 Travel	4,001	2,525	5,525
03 Transportation of things	88	75	100
04 Communication services	13,640	13,500	14,500
06 Printing and reproduction	85,684	87,000	97,000
07 Other contractual services	4,821	3,800	4,800
Services performed by other agencies	28,750	20,035	30,035
08 Supplies and materials	3,452	2,065	3,065
09 Equipment	5,732		13,500
11 Grants, subsidies, and contributions		55,000	70,000
13 Refunds, awards, and indemnities	1,305		
15 Taxes and assessments	55		
Total obligations	957,743	1,035,000	1,317,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Preparation of national income and product data	$698		
2. Measurement and analysis of current and long-term business trends	395		
3. Computation of the balance of international payments of the United States	1,421		
4. Delaware River Basin economic projection survey	35,544	$45,456	$3,000
Total obligations	38,058	45,456	3,000
Financing:			
Unobligated balance brought forward		3,456	3,000
Advances and reimbursements from other accounts	41,514	45,000	
Unobligated balance carried forward	−3,456	−3,000	
Total financing	38,058	45,456	3,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	10	8	1
Average number of all employees	4	7	1
Number of employees at end of year	0	1	0
Average GS grade and salary	8.9 $6,492	7.6 $4,933	5.0 $3,805
01 Personal services:			
Permanent positions	$25,816	$38,848	$3,000
Other personal services		152	
Total personal services	25,816	39,000	3,000
02 Travel	652	1,000	
03 Transportation of things	9	25	
04 Communication services	4	200	
06 Printing and reproduction	1,189	2,000	
07 Other contractual services	9,738	2,500	
08 Supplies and materials	3	3	
09 Equipment	647	728	
Total obligations	38,058	45,456	3,000

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MARITIME ACTIVITIES

Current authorizations:

SHIP CONSTRUCTION

[Ship construction:] For *construction-differential subsidy and cost of national-defense features incident to construction of ships for operation in foreign commerce (46 U. S. C. 1152, 1154); for construction-differential subsidy and cost of national-defense features incident to the reconstruction and reconditioning of ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154); for* acquisition of used ships pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1160)[,]; and for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment; [$3,000,000] *$160,000,000,* to remain available until expended: *Provided,* That transfers may be made to the appropriation for the current fiscal year for "Salaries and expenses" for administrative and warehouse expenses (not to exceed [$1,700,000] *$2,300,000*) and for reserve fleet expenses (not to exceed $500,000), and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses. *(71 Stat. 72; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$3,000,000** Estimate 1959, **$160,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction-differential subsidy	$5,291,335	$100,807,381	$131,700,000
2. Construction of prototype ships	10,202,346	797,654	
3. Acquisition of tankers	−245,435	296,375	
4. Acquisition of replaced ships		20,000,000	21,000,000
5. Research and development	1,528,445	7,000,000	5,000,000
6. Nuclear ship construction and design	350,000	15,150,000	1,000,000
7. Administrative and warehouse expenses	801,773	1,400,000	2,300,000
Total obligations	17,928,464	145,451,410	161,000,000
Financing:			
Unobligated balance brought forward	−78,992,383	−161,763,919	−19,312,509
Unobligated balance carried forward	161,763,919	19,312,509	18,312,509
Appropriation (new obligational authority)	100,700,000	3,000,000	160,000,000

The 1959 estimate is for:

1. Construction-differential subsidy and/or national-defense allowances for construction of an estimated 18 ships under the ship replacement program.

4. Acquisition costs of ships being replaced.

5. A program of advanced research and development with particular emphasis on nuclear propulsion.

7. Administrative and warehouse expenses of the program.

Since 1955, funds for new construction have been appropriated under "Ship construction." In order to differentiate between current programs available for obligation and those for expenditure only, all programs prior to 1955 are reflected under "Ship construction (liquidation of contract authorization)."

The following table reflects the annual obligation requirements for the projects financed from current funds, together with those requested for 1959.

[In thousands]

	Total appropriation estimates	*Actual obligations through 1957*	*Estimated obligations* 1958	1959	*Subsequent*
1. Construction-differential subsidy	$312,450	$65,482	$100,808	$131,700	$14,460
1955–57 programs	180,450	65,482	100,808	12,500	1,660
Grace Lines	22,000	20,453	1,047	500	
Moore-McCormack Lines	22,000	20,649	851	500	
Ship replacement program	111,400	1,540	96,700	11,500	1,660
Conversion of Mariners	24,615	22,408	2,207		
Recondition vessels for American President Lines	435	432	3		
1959 program: Ship replacement program	132,000			119,200	12,800
2. Construction of prototype ships: 1955–57 programs: T–5 tanker	$11,000	$10,202	$798		
3. Acquisition of tankers: 1955–57 programs	17,100	16,804	296		
4. Acquisition of replaced ships	41,250	3	20,000	$21,000	$247
1955–57 programs	20,000	3	19,997		
1958 program	1,250		3	1,247	
1959 program	20,000			19,753	247
5. Research and development	25,550	13,527	7,000	5,000	23
1955–57 programs	18,800	13,527	5,250		23
1958 program	1,750		1,750		
1959 program	5,000			5,000	
6. Nuclear ship construction and design: 1955–57 programs	17,000	350	15,150	1,000	500
7. Administrative and warehouse expense	8,400	1,618	1,400	2,300	3,082
1955–57 programs	5,400	1,618	1,400	1,700	682
1959 program	3,000			600	2,400
Total obligations	432,750	107,986	145,452	161,000	18,312
1955–57 programs	269,750	107,986	143,699	15,200	2,865
1958 program	3,000		1,753	1,247	
1959 program	160,000			144,553	15,447

Object Classification

		1957 actual	1958 estimate	1959 estimate
	MARITIME ACTIVITIES			
07	Other contractual services	$766,206	$2,701,984	$900,000
	Services performed by other agencies	1,025,073	2,109,500	2,800,000
09	Equipment	10,838,602	39,820,293	25,600,000
11	Grants, subsidies, and contributions	5,291,335	100,807,381	131,700,000
	Total, maritime activities	17,921,216	145,439,158	161,000,000
	ALLOCATION TO DEPARTMENT OF DEFENSE			
07	Other contractual services	7,248	12,252	
	Total obligations	17,928,464	145,451,410	161,000,000

SHIP CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Ship construction (total obligations)		$925,258	
Financing:			
Unobligated balance brought forward	−$4,963,561	−7,357,025	
Recovery of prior year obligations	−2,393,464		
Unobligated balance carried forward	7,357,025		
Unobligated balance no longer available		6,431,767	
Contract authorization (new)			

During 1957, obligations were reduced in the amount of $2,393,464 as a result of contract adjustments. A total of $512,433,950 was appropriated for this program which covers all postwar construction up to 1955. Of the June 30, 1957, unobligated balance of $7,357,025, it is estimated that claims presented by the shipbuilders will use $925,258, leaving a balance of $6,431,767 to be returned to the Treasury.

SUMMARY FISCAL-STATUS REPORT—SHIP-CONSTRUCTION PROGRAMS PRIOR TO 1955

	1957	*1958*
Cash balance:		
Unexpended balance, beginning of year	$13,336,591	$7,431,767
Expenditures	5,904,824	1,000,000
Unexpended balance, end of year	7,431,767	6,431,767
Unliquidated obligations:		
Beginning of year	8,373,030	74,742
Adjustment to obligations	−2,393,464	925,258
Total	5,979,566	1,000,000
Expenditures	5,904,824	1,000,000
End of year	74,742	

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MARITIME ACTIVITIES—Continued

Current authorizations—Continued

SHIP CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
09 Equipment		$925,258	

OPERATING-DIFFERENTIAL SUBSIDIES

[Operating-differential subsidies:] For the payment of obligations incurred for operating-differential subsidies granted on or after January 1, 1947, as authorized by the Merchant Marine Act, 1936, as amended, and in appropriations heretofore made to the United States Maritime Commission, [$35,000,000, and in addition, $65,000,000 to be derived by transfer from the appropriation "War Shipping Administration Liquidation, Treasury Department",] *$120,000,000,* to remain available until expended: *Provided,* That [hereafter, to the extent that the operating-differential subsidy accrual (computed on the basis of parity) is represented on the operator's books by a contingent accounts receivable item against the United States as a partial or complete offset to the recapture accrual, the operator (1) shall be excused from making deposits in the special reserve fund, and (2) as to the amount of such earnings the deposit of which is so excused shall be entitled to the same tax treatment as though it had been deposited in said special reserve fund. To the extent that any amount paid to the operator by the United States reduces the balance in the operator's contingent receivable account against the United States, such amount shall forthwith be deposited in the special reserve fund of the operator: *Provided further,* That] no contracts shall be executed during the current fiscal year by the Federal Maritime Board which will obligate the Government to pay operating-differential subsidy on more than two thousand [one hundred] voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year. *(71 Stat. 73; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$35,000,000** Estimate 1959, **$120,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of subsidies (total obligations)	$108,292,274	$120,392,409	$120,000,000
Financing:			
Unobligated balance brought forward	−4,684,683	−20,392,409	
Unobligated balance carried forward	20,392,409		
New obligational authority	124,000,000	100,000,000	120,000,000
New obligational authority:			
Appropriation	$124,000,000	$35,000,000	$120,000,000
Reappropriation		65,000,000	

At present 15 privately owned United States flag companies operate 309 ships under subsidy contract on 30 of the 36 designated essential foreign trade routes. The contracts cover the differential between their operating costs and those of foreign competitors (subsidy accrual). The Government withholds (subsidy recapture) one-half of net profits in excess of 10% of capital necessarily employed up to the subsidy accrual, the amount being finally determined on a cumulative basis at the end of a 10-year contract period. In estimating the subsidy payable, as shown in the table below, subsidy recapture is subtracted from subsidy accrual, but pending the close of the 10-year contract period the full amount of the accrual is a contingent liability of the United States.

SUMMARY OF PROGRAM JANUARY 1, 1947 THROUGH JUNE 30, 1959

[Dollars in thousands]

Calendar year:	*Voyages*	*Estimated subsidy accrual*
1947–56	12,842	$765,590
1957	1,729	141,184
1958	1,840	148,036
1959 (1st 6 months)	923	75,155
Total	17,334	1,129,965
		Cumulative total
Subsidy accrual		$1,129,965
Subsidy recapture		218,620
Subsidy payable		911,345
Subsidy paid through June 30, 1957		568,143
Estimated subsidy payable		342,202
Subsidy to be paid in 1958		120,392
Subsidy to be paid in 1959		120,000
Subsidy to be paid in subsequent years		102,810

The approval of final subsidy rates and the audit of annual accountings of the subsidized operators prior to June 30, 1959, will make possible 100% payments of subsidy payable for all operators through calendar year 1953 and one-half the operators through calendar year 1954, thus eliminating a part of the backlog of subsidy payments dating back to 1947. The $102,810,198 estimated unpaid subsidy as of June 30, 1959 begins to approach a normal backlog and consists of amounts withheld pending final rates and audits for calendar years 1955–59 plus subsidy bills for operators in the last quarter of 1959 which would not be presented and paid until 1960. This estimated unpaid balance is subject to adjustment for changes in the cumulative recapture position of each of the operators.

The above estimates do not include any amounts for pending subsidy applications of presently nonsubsidized operators or for pending applications for additional service by operators now holding subsidy contracts.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$108,292,274	$120,392,409	$120,000,000

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for carrying into effect the Merchant Marine Act, 1936, and other laws administered by the Federal Maritime Board and the Maritime Administration, [$15,425,000] *$15,050,000,* within limitations as follows:

Administrative expenses, including not to exceed $1,125 for entertainment of officials of other countries when specifically authorized by the Maritime Administrator, [$7,045,000] *and not to exceed $2,500 for representation allowances, $7,050,000;*

Maintenance of shipyard and reserve training facilities and operation of warehouses, [$1,530,000] *$1,600,000;*

Reserve fleet expenses, [$6,850,000] *$6,400,000. (71 Stat. 73; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$15,425,000** Estimate 1959, **$15,050,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administrative expenses	$6,490,311	$7,045,000	$7,050,000
2. Maintenance of shipyard facilities	733,672	658,600	727,100
3. Operation of warehouses	752,953	794,900	794,800
4. Maintenance of reserve training station	71,533	76,500	78,100
5. Reserve fleet expenses	7,228,225	6,850,000	6,400,000
Total obligations	15,276,694	15,425,000	15,050,000
Financing:			
Unobligated balance no longer available	73,306		
Appropriation (new obligational authority)	15,350,000	15,425,000	15,050,000

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1. *Administrative expenses.*—Shown herein are the expenses of administering most of the functions of the Federal Maritime Board and Maritime Administration, including operating-differential subsidy contracts, continuing ship construction activities, supervision of ship operations, auditing, and property management. Administrative expenses for maritime training, general agency ship operations, new ship construction, and chartering activities are provided in other funds.

2. *Maintenance of shipyard facilities.*—Four Government-owned reserve shipyards are maintained in a partial state of readiness for defense purposes.

3. *Operation of warehouses.*—Five warehouses store materials and equipment for vessel operations, repair and outfitting of reserve fleet ships, and reserve shipyards.

4. *Maintenance of reserve training station.*—One reserve training station has been maintained in a custodial status, but action to dispose of this facility is under consideration.

5. *Reserve fleet expenses.*—Provision is made for the preservation and security of approximately 2,000 merchant vessels, maintained for national defense purposes. A phased program for scrapping 100 Liberty ships per year is beginning in 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
MARITIME ACTIVITIES			
Total number of permanent positions	2,616	2,424	2,294
Full-time equivalent of all other positions	1	1	1
Average number of all employees	2,430	2,286	2,189
Number of employees at end of year	2,415	2,310	2,252
Average GS grade and salary	8.0 $6,115	8.1 $6,178	8.1 $6,218
Average salary of ungraded positions	$4,260	$4,421	$4,429
01 Personal services:			
Permanent positions	$12,626,768	$12,291,300	$11,907,900
Positions other than permanent	2,783	6,000	6,000
Other personal services	139,212	152,800	153,000
Total personal services	12,768,763	12,450,100	12,066,900
02 Travel	90,230	103,600	116,600
03 Transportation of things	66,787	58,600	55,100
04 Communication services	155,063	157,600	157,600
05 Rents and utility services	258,019	356,600	385,200
06 Printing and reproduction	69,627	56,300	56,300
07 Other contractual services	382,649	345,400	437,700
Services performed by other agencies	97,675	160,900	156,400
08 Supplies and materials	1,143,703	887,200	775,600
09 Equipment	152,001	89,700	61,700
11 Grants, subsidies, and contributions		741,000	764,200
13 Refunds, awards, and indemnities	12,309	5,100	5,100
15 Taxes and assessments	20,704	12,900	11,600
Total, maritime activities	15,217,530	15,425,000	15,050,000
ALLOCATION TO DEPARTMENT OF DEFENSE			
02 Travel	81		
05 Rents and utility services	332		
07 Other contractual services	21,454		
Services performed by other agencies	30,404		
08 Supplies and materials	464		
10 Lands and structures	6,429		
Total, Department of Defense	59,164		
Total obligations	15,276,694	15,425,000	15,050,000

Maritime Training

[Maritime training:] For training cadets as officers of the merchant marine at the Merchant Marine Academy at Kings Point, New York, including pay and allowances for personnel of the United States Maritime Service as authorized by law (46 U. S. C. 1126, 63 Stat. 802, 64 Stat. 794, 66 Stat. 79, and 70 Stat. 25); and not to exceed $2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; [$2,394,300] *$2,394,000*, including uniform and textbook allowances for cadet midshipmen, at an average yearly cost of not to exceed $200 per cadet: *Provided*, That except as herein provided for uniform and textbook allowances this appropriation shall not be used for compensation or allowances for cadets. (*71 Stat. 73; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$2,394,300** Estimate 1959, **$2,394,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Merchant marine cadet training	$2,164,677	$2,356,900	$2,356,600
2. Cadet training office	30,966	37,400	37,400
Total obligations	2,195,643	2,394,300	2,394,000
Financing:			
Unobligated balance no longer available	4,357		
Appropriation (new obligational authority)	2,200,000	2,394,300	2,394,000

Officers are trained for service in the maritime industry.

1. *Merchant marine cadet training.*—The Merchant Marine Academy at Kings Point, N. Y., was made a permanent Academy by enactment of Public Law 415, approved February 20, 1956. A 4-year course of training is provided, including 1 year of sea duty, designed to qualify graduates for licenses as merchant marine officers. The Academy provides subsistence, quarters, tuition, uniforms, and textbook allowances, and medical care for cadets.

2. *Cadet training office.*—This office provides staff assistance to the Administrator in the training area, assists in the selection and appointment of cadets, and maintains liaison with State marine schools.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	312	258	258
Full-time equivalent of all other positions	1	2	2
Average number of all employees	270	252	252
Number of employees at end of year	246	258	258
Average GS grade and salary	4.9 $4,530	4.9 $4,552	4.9 $4,613
01 Personal services:			
Permanent positions	$1,104,449	$1,069,300	$1,075,000
Positions other than permanent	6,550	12,300	12,300
Other personal services	340,274	330,600	330,600
Total personal services	1,451,273	1,412,200	1,417,900
02 Travel	17,101	16,500	16,500
03 Transportation of things	2,211	2,200	2,200
04 Communication services	15,558	16,300	16,300
05 Rents and utility services	31,455	31,500	31,500
06 Printing and reproduction	600	1,700	31,700
07 Other contractual services	383,710	574,500	538,500
Services performed by other agencies	28,082	28,000	28,000
08 Supplies and materials	253,202	240,800	240,800
09 Equipment	11,851	1,100	1,100
11 Grants, subsidies, and contributions		69,200	69,200
13 Refunds, awards, and indemnities	455		
15 Taxes and assessments	145	300	300
Total obligations	2,195,643	2,394,300	2,394,000

State Marine Schools

[State marine schools:] To reimburse the State of California, $47,500; the State of Maine, $47,500; the State of Massachusetts, $47,500; and the State of New York, $47,500; for expenses incurred in the maintenance and support of marine schools in such States as provided in the Act authorizing the establishment of marine schools, and so forth, approved March 4, 1911, as amended (34 U. S. C. 1121–1123); $149,800 for the maintenance and repair of vessels loaned by the United States to the said States for use in connection with such State marine schools; and $320,200 for allowances for uniforms, textbooks, and subsistence of cadets at State marine schools, to be paid in accordance with regulations established pursuant to law (46 U. S. C. 1126 (b)); $660,000. (*71 Stat. 73; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$660,000** Estimate 1959, **$660,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants for State marine schools	$170,537	$190,000	$190,000
2. Uniforms, textbooks, and subsistence of cadets	320,197	320,200	320,200
3. Maintenance and repair of vessels	148,990	149,800	149,800
Total obligations	639,724	660,000	660,000

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MARITIME ACTIVITIES—Continued

Current authorizations—Continued

STATE MARINE SCHOOLS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$20,276		
Appropriation (new obligational authority)	660,000	$660,000	$660,000

The States of Maine, Massachusetts, New York, and California maintain schools for the training of merchant marine officers, with Federal assistance given in the form of (*a*) direct grants of $25,000, if matched by State appropriations; (*b*) per capita grants not in excess of $22,500 per school for students from other States; (*c*) allowance to cadets for uniforms, textbooks, and subsistence; and (*d*) repairs to Federal training vessels loaned to the schools.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$148,990	$149,800	$149,800
11 Grants, subsidies, and contributions	490,734	510,200	510,200
Total obligations	639,724	660,000	660,000

WAR SHIPPING ADMINISTRATION LIQUIDATION

[War Shipping Administration liquidation: Not to exceed $10,000,000 of the] *The* unexpended balance of the appropriation to the Secretary of the Treasury in the Second Supplemental Appropriation Act, 1948, for liquidation of obligations approved by the General Accounting Office as properly incurred against funds of the War Shipping Administration prior to January 1, 1947, is hereby continued available during the current fiscal year, and shall be available for the payment of obligations incurred against the working fund titled: "Working fund, Commerce, War Shipping Administration functions, December 31, 1946"[: *Provided*, That the unexpended balance of such appropriation to the Secretary of the Treasury less the amount of $10,000,000 continued available and less the amount of $65,000,000 transferred to the appropriation "Operating-differential subsidies", by this Act, is hereby rescinded, the amount of such unexpended balance to be carried to the Surplus Fund and covered into the Treasury immediately upon the approval of this Act]. (*71 Stat. 74; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

REPAIR OF RESERVE FLEET VESSELS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Repair of reserve fleet vessels	$119,449	$444,761	
2. Towing and incidental costs	−16,677	15,000	
3. Reserve fleet expenses	228,821		
4. Administrative expenses	35,475		
Total obligations	367,068	459,761	
Financing:			
Unobligated balance brought forward—			
Appropriation	−826,829	−459,761	
Contract authorization	−7,000,000	−7,000,000	
Unobligated balance carried forward—			
Appropriation	459,761		
Contract authorization	7,000,000		
Unobligated balance no longer available: Contract authorization		7,000,000	
Contract authorization (new)			

Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year	$7,000,000	$7,000,000	
Unfunded balance no longer available for obligation		−7,000,000	
Unfunded balance at end of year	−7,000,000		
Appropriation to liquidate contract authorization			

Of the $25 million authorized for repairs to naval auxiliary vessels, $18 million has been appropriated and 150 vessels have been repaired. The program will be completed in 1958 and the unfunded contract authorization of $7 million will expire for obligation purposes on June 30, 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	−$16,677	$15,000	
Services performed by other agencies	264,296		
09 Equipment	119,449	444,761	
Total obligations	367,068	459,761	

Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FUND

Hereafter the Secretary of Commerce is authorized to advance to this account from the "Vessel operations revolving fund" (46 U. S. C. 1241a), such amounts as may be required for the payment, pursuant to section 1105 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1275), of unpaid principal amounts of defaulted mortgages and loans and of unpaid interest thereon: Provided, That such advances shall be repaid to the "Vessel operations revolving fund" as soon as practicable consistent with the status of this account: Provided further, That the total advances outstanding at any one time shall not exceed $10,000,000.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay: Acquisition of defaulted mortgages		$525,986	$3,422,000
Operating costs: Expense incident to defaulted mortgages		154,014	102,650
Total program (costs—obligations)		680,000	3,524,650
Financing:			
Amounts becoming available:			
Revenue and receipts (premiums and fees)	$326,698	1,048,700	2,598,000
Unobligated balance transferred from "Vessel operations revolving fund" (1959 appropriation act)			3,000,000
Total amounts becoming available	326,698	1,048,700	5,598,000
Unobligated balance brought forward	148,425	475,123	843,823
Total amounts available	475,123	1,523,823	6,441,823
Unobligated balance carried forward	−475,123	−843,823	−2,917,173
Financing applied to program		680,000	3,524,650

The Maritime Administration is authorized to insure construction loans and mortgages on certain types of cargo and passenger-carrying vessels and other watercraft (title XI, Merchant Marine Act, 1936, as amended). Receipts, representing premiums for insurance and certain incidental fees, are deposited into this fund and, together with such amounts as may be appropriated, or otherwise made available, may be used toward the redemption of any defaulted loans or mortgages. As of September 1957, balances outstanding plus commitments for additional ship mortgages totaled approximately $130 million, and the

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outstanding balance for loans and mortgages at the end of the current year is expected to reach $225 million. Based upon the expanded activity anticipated in this field, it is expected that by the end of 1959 insured ship loans under this title will exceed $600 million.

To date one mortgage has been declared in default, and the Maritime Administration has initiated the necessary action to redeem such mortgage forthwith. To accomplish full satisfaction of principal and interest due on the mortgage in question, a partial payment has recently been made to the lending institution to the extent that retained earnings in the fund would permit. Under the legislative authority recommended in the current budget submission, it is proposed to transfer into this fund from the vessel operations revolving fund such amount as may be required to liquidate the remaining balance of such indebtedness, which is approximately $3,500,000.

The proposed authority of the Secretary of Commerce to transfer up to $10 million into this fund will enable the Government to meet its obligations under title XI more promptly in any similar circumstance that may arise in the future with consequent substantial savings in interest accruals on principal and other incidental expenses usually resulting from institution of foreclosure proceedings.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of defaulted mortgages		$525,986	$3,422,000
Expense incident to defaulted mortgages		154,014	102,650
Total gross expenditures		680,000	3,524,650
Receipts from operations (funds provided):			
Revenue (premiums and fees)	$326,698	1,048,700	2,598,000
Budget expenditures	−326,698	−368,700	926,650

Revenue, Expense, and Retained Earnings

Revenue	$326,698	$1,048,700	$2,598,000
Expense		154,014	102,650
Net income for the year	326,698	894,686	2,495,350
Retained earnings, beginning of year	148,425	475,123	1,369,809
Retained earnings, end of year	475,123	1,369,809	3,865,159

Financial Condition

Assets:			
Cash with Treasury	$475,123	$843,823	$2,917,173
Acquired security or collateral (defaulted mortgages)		525,986	3,947,986
Total assets	475,123	1,369,809	6,865,159
Government investment:			
Non-interest bearing capital: Transfer into fund during year			3,000,000
Retained earnings	475,123	1,369,809	3,865,159
Total Government investment	475,123	1,369,809	6,865,159

NOTE.—Contingent liability for insured mortgages and loans not included above is estimated to be as follows: June 30, 1957, $36,300,000; 1958, $225,000,000; 1959, $600,000,000.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$148,425	$475,123	$843,823	$2,917,173
Unobligated balance	148,425	475,123	843,823	2,917,173

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services		$154,014	$102,650
16	Investments and loans		525,986	3,422,000
	Total obligations		680,000	3,524,650

VESSEL OPERATIONS REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Vessel operations: Expense:			
Terminated voyage expense	$11,775,063	$9,433,415	$9,262,500
Vessel repair and reactivation	4,969,351	1,850,000	1,950,000
Deactivation	152,695	365,000	275,000
Administrative and warehouse operation	1,237,635	911,300	960,900
Miscellaneous expense	202,006	8,100	8,100
Total, vessel operations	18,336,750	12,567,815	12,456,500
2. Charter operations: Expense:			
Redelivery and lay-up of chartered vessels		2,859,300	974,000
Activation, repair, and deactivation of chartered vessels	27,136,398	1,739,774	
Total, charter operations	27,136,398	4,599,074	974,000
3. Vessel custody and contingencies: Expense: Custody of vessels involved in forfeiture proceedings	14,169	24,200	
Total program costs	45,487,317	17,191,089	13,430,500
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,938,558	
Obligations incurred for costs of other years, net	1,256,468		120,000
Total program (obligations)	46,743,785	15,252,531	13,550,500
Financing:			
Amounts becoming available:			
Vessel operations revenue:			
Terminated voyage revenue	12,025,611	11,822,953	10,098,500
Reimbursement for activation and deactivation	3,513,265	2,215,000	2,225,000
Other	690,470	133,000	133,000
Charter operations revenue	7,900,572	12,694,000	5,370,500
Total amounts becoming available	24,129,918	26,864,953	17,827,000
Unobligated balance brought forward	26,380,537	3,766,670	15,379,092
Total amounts available	50,510,455	30,631,623	33,206,092
Unobligated balance transferred to "Federal ship mortgage insurance fund" (1959 appropriation act)			−3,000,000
Unobligated balance carried forward	−3,766,670	−15,379,092	−16,655,592
Financing applied to program	46,743,785	15,252,531	13,550,500

This fund was created in 1951 to finance direct operation and charter of cargo vessels to carry the heavy military and foreign aid shipments growing out of the Korean emergency (65 Stat. 52). Since mid-1952, vessel operations have been limited to military requirements.

In 1956 the fund was made available for expenses of certain chartering and ship custody contingencies, such as custody of ships in mortgage foreclosure or forfeiture proceedings, redelivery and layup of certain chartered ships, and custody and husbanding of Government ships other than those in reserve fleets (65 Stat. 226). In 1957 the fund was made available for expenses of activation, repair, and deactivation of chartered vessels and authority was granted to deposit in the fund charter hire revenue previously deposited to miscellaneous receipts (70 Stat. 897).

The initial appropriation to the fund of $20 million has been repaid to the Treasury.

Budget program.—Three main activities are financed in the fund:

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MARITIME ACTIVITIES—Continued

Public enterprise funds—Continued

VESSEL OPERATIONS REVOLVING FUND—Continued

1. *Vessel operations.*—Cargo vessels are operated by private operators acting as agents of the Maritime Administration to carry shipments for the Military Sea Transportation Service. Ships operated under the fund reached a peak of 538 in April 1952 and declined steadily thereafter to 18 on June 30, 1957. It is anticipated that this number will increase to a maximum of 24 vessels for seasonal operations during 1958 and 1959. These vessels are activated from temporary layup each spring for approximately 6 months operations after which they are again placed in a standby status in the reserve fleets during the late fall and winter months. The program also provides for the return of 12 T–2 tankers for layup in the reserve fleet during 1958 which are deemed to be in excess of military needs.

2. *Charter operations.*—As of June 30, 1957, there were 146 Government-owned ships under charter to private operators mostly for use in the carriage of Government-sponsored cargoes, chiefly grain. It is anticipated that approximately 101 vessels will return from charter during 1958 due to the stabilization of the charter market and the ability of privately owned tonnage to maintain cargo lift requirements. By the end of 1959 the total number of chartered ships is expected to decline to 18.

3. *Vessel custody and contingencies.*—This activity provides primarily for expenses of custody and layup of vessels (*a*) involved in mortgage-foreclosure proceedings, or (*b*) forfeited by owners for violation of shipping laws.

MARITIME CONTROLLED VESSELS IN ACTIVE STATUS

	1957 actual	*1958 estimate*	*1959 estimate*
With general agents	18	24	24
Under charter	146	45	18
Loaned to other agencies	57	44	44
Total	221	113	86

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances and selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$545,539	$143,694	$240,000	$240,000
Supplies	6,395,527	5,647,330	5,767,330	5,887,330
Prepaid insurance and other deferred charges	211,475	481,648	461,648	461,648
Unpaid undelivered orders	48,527	2,184,864	50,000	50,000
Total selected resources at end of year	7,201,068	8,457,536	6,518,978	6,638,978
Selected resources at start of year (−)		−7,201,068	−8,457,536	−6,518,978
Costs financed from obligations of other years, net (−)			−1,938,558	
Obligations incurred for costs of other years, net		1,256,468		120,000

Financing.—Net receipts for 1959 of $4,571,500 are anticipated on a cash basis. During 1959, the program will be wholly financed by receipts from operation. In addition, the balance of prior year authorizations available at the end of 1957 to finance future years' programs will increase by $12,888,922 to $16,655,592 by 1959.

Operating results.—1. *Vessel operations.*—Rates charged the Military Sea Transportation Service for general agency operations cover full costs. The net loss in 1957 is due to the initial cost of repair and activation of 12 tankers for MSTS operations during the Suez Canal crisis. Under an agreement with the Military Sea Transportation Service recovery of these expenses was to be made over a 12-month period. However, due to the stabilization of the tanker market these vessels have been declared in excess of the military needs, therefore full recovery of the repair and activation expenses will not be realized. Over the 2-year period 1957 and 1958 the fund reflects a loss of approximately $500,000 in connection with the tanker activation.

2. *Charter operations.*—The net loss in 1957 is due to the initial cost of repair and activation of over 120 additional vessels. Recovery of this initial expense was anticipated through subsequent charter hire receipts. However, due to the decline in the charter market as a result of a decrease in cargo offerings, privately owned vessels are available for the carriage of Government-sponsored cargo. The number of Government-owned ships on charter at the end of 1959 is expected to decline to 18 ships. A net loss in charter operations for the 1957–59 period of $6,744,400 is currently estimated.

Retained earnings.—The Government's investment consists entirely of retained earnings, amounting to $12,224,206 at June 30, 1957. In view of present world conditions, retention of these earnings in the fund is necessary to provide for (*a*) working capital for current ship operations, and chartering and custody contingencies, (*b*) rapid expansion of shipping services in the event of an emergency, (*c*) the possible transfer of $10,000,000 to the war risk insurance revolving fund (65 Stat. 747), and (*d*) the proposed transfer of not to exceed $10,000,000 to the Federal ship mortgage insurance fund, revolving fund (1959 Appropriation Act).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Vessel operations program expense	$18,336,750	$12,567,815	$12,456,500
Charter operations program expense	27,136,398	4,599,074	974,000
Vessel custody and contingencies program expense	14,169	24,200	
Payment of certified claims	96,816		
Increase in selected working capital		1,064,541	
Total gross expenditures	45,584,133	18,255,630	13,430,500
Receipts from operations (funds provided):			
Vessel operations program revenue	16,229,346	14,170,953	12,456,500
Charter operations program revenue	7,900,572	12,694,000	5,370,500
Decrease in selected working capital	4,527,177		175,000
Total receipts from operations	28,657,095	26,864,953	18,002,000
Budget expenditures	16,927,038	−8,609,323	−4,571,500

Revenue, Expense, and Retained Earnings

Vessel operations program:			
Revenue	$16,229,346	$14,170,953	$12,456,500
Expense	18,336,750	12,567,815	12,456,500
Net income or loss (−), vessel operations program	−2,107,404	1,603,138	
Charter operations program:			
Revenue	7,900,572	12,694,000	5,370,500
Expense	27,136,398	4,599,074	974,000
Net income or loss (−), charter operations program	−19,235,826	8,094,926	4,396,500
Vessel custody program:			
Revenue			
Expense	14,169	24,200	
Net loss (−), vessel custody program	−14,169	−24,200	
Net income or loss (−) for the year	−21,357,399	9,673,864	4,396,500
Analysis of retained earnings:			
Retained earnings, beginning of year	33,581,605	12,224,206	21,898,070
Transferred to "Federal ship mortgage insurance fund"			−3,000,000
Retained earnings, end of year	12,224,206	21,898,070	23,294,570

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Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$7,207,969	$15,817,292	$17,388,792
Accounts receivable	5,867,081	4,684,000	3,823,000
Advances	143,694	240,000	240,000
Supplies	5,647,330	5,767,330	5,887,330
Unterminated voyage expense	1,221,525	1,195,300	1,304,800
Prepaid expenses and other deferred charges	481,648	461,648	461,648
Total assets	20,569,247	28,165,570	29,105,570
Liabilities:			
Current	6,369,102	4,336,300	3,770,300
Unterminated voyage revenue	1,232,763	1,253,400	1,362,900
Operating reserves	743,176	677,800	677,800
Total liabilities	8,345,041	6,267,500	5,811,000
Government investment:			
Retained earnings	12,224,206	21,898,070	23,294,570

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$24,038,191	$7,207,969	$15,817,292	$17,388,792
Obligated balance, net:				
Current liabilities	3,101,873	6,369,102	4,336,300	3,770,300
Unterminated voyage revenue	1,733,004	1,232,763	1,253,400	1,362,900
Operating reserves	747,477	743,176	677,800	677,800
Obligations other than liabilities (unfilled purchase orders)	48,527	2,184,864	50,000	50,000
Accounts receivable (net) and cash in transit (−)	−6,567,710	−5,867,081	−4,684,000	−3,823,000
Unterminated voyage expense (−)	−1,405,517	−1,221,525	−1,195,300	−1,304,800
Total obligated balance	−2,342,346	3,441,299	438,200	733,200
Unobligated balance	26,380,537	3,766,670	15,379,092	16,655,592

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	775	553	499
Number of employees at end of year	813	1,117	1,117
Average salary of ungraded positions	$5,024	$5,100	$5,100
01 Personal services:			
Positions other than permanent	$3,893,600	$2,820,300	$2,544,900
Other personal services	1,752,100	1,269,100	1,145,200
Total personal services	5,645,700	4,089,400	3,690,100
03 Transportation of things	9,000	3,300	2,700
07 Other contractual services	32,367,053	7,833,927	4,855,000
Services performed by other agencies	1,237,635	1,250,600	1,124,900
08 Supplies and materials	5,267,060	4,180,168	3,853,100
09 Equipment	81,000	30,000	24,700
Subtotal	44,607,448	17,387,395	13,550,500
Increase or decrease (−) unpaid undelivered orders	2,136,337	−2,134,864	
Total obligations	46,743,785	15,252,531	13,550,500

War Risk Insurance Revolving Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Underwriting agents' fees	$16,950	$4,860	$4,860
Appraisal contractors' fees		12,000	12,000
Insurance claims		70,000	
Administrative expenses		500	500
Total program (costs—obligations)	16,950	87,360	17,360
Financing:			
Amounts becoming available:			
Fees for the issuance of binders	61,900	18,750	18,750
Builders risk insurance premiums	98,728	231,100	155,500
Reimbursement for insurance claims		70,000	
Total amounts becoming available	160,628	319,850	174,250
Unobligated balance brought forward	233,172	376,850	609,340
Total amounts available	393,800	696,700	783,590
Unobligated balance carried forward	−376,850	−609,340	−766,230
Financing applied to program	16,950	87,360	17,360

This fund was established to provide war-risk insurance in the event that commercial insurance is not available at reasonable terms and conditions during time of war (46 U. S. C. 1281, 1283). Commercial war-risk insurance policies are at present subject to an automatic termination clause upon the outbreak of war between any of the four powers: United States, France, Great Britain, and Russia. As of June 30, 1957, interim binders for war-risk hull protection and indemnity, and second seamen's insurance, which become effective upon the outbreak of war, had been issued covering approximately 1,340 vessels and $5,467,800,000 of insurance. The transfer of $10 million is authorized from the vessel operations revolving fund to this fund if necessary (65 Stat. 747). To date no transfers have been made and none is anticipated in 1958 or 1959. Provision has been made in the 1958 estimate for the payment of protection and indemnity insurance claims in connection with the collision of the Government-owned tanker *Mission San Francisco* with the freighter S. S. *Elna II* in the Delaware River at New Castle, Del., on March 7, 1957. Reimbursement from the Military Sea Transportation Service will cover full costs. At present the income of the fund comes from insurance premiums and fees paid for issuance of the interim binders. Expenses of the fund consist of fees paid to underwriting agents, travel expenses for marine insurance experts, and for contract appraisal costs.

Retained earnings.—The Government's investment consists entirely of retained earnings amounting to $376,850 at June 30, 1957; retention of these earnings is necessary for this program to get underway immediately upon the outbreak of a national emergency.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Administrative expenses and fees	$16,950	$17,360	$17,360
Payment of claims		70,000	
Increase in selected working capital	31,500	21,996	
Total gross expenditures	48,450	109,356	17,360
Receipts from operations (funds provided):			
Fees for the issuance of binders and insurance premiums	160,628	249,850	174,250
Reimbursement for payment of claims		70,000	
Decrease in selected working capital			18,750
Total receipts from operations	160,628	319,850	193,000
Budget expenditures	−112,178	−210,494	−175,640

Revenue, Expense, and Retained Earnings

Revenue	$160,628	$319,850	$174,250
Expense	16,950	87,360	17,360
Net income for the year	143,678	232,490	156,890
Retained earnings, beginning of year	233,172	376,850	609,340
Retained earnings, end of year	376,850	609,340	766,230

Financial Condition

Assets:			
Cash with Treasury	$346,460	$556,954	$732,594
Accounts receivable	32,364	52,800	34,050
Total assets	378,824	609,754	766,644
Liabilities:			
Current	1,974	414	414
Government investment:			
Retained earnings	376,850	609,340	766,230

NOTE.—Contingent liability for insurance, in the event of war only, not included above, is estimated to be as follows: June 30, 1956, $4,030,500,000; 1957, $5,467,800,000; 1958, $5,941,600,000; 1959, $6,409,335,000.

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MARITIME ACTIVITIES—Continued

Public enterprise funds—Continued

WAR RISK INSURANCE REVOLVING FUND—Continued

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$234,282	$346,460	$556,954	$732,594
Obligated balance, net: Current liabilities	1,963	1,974	414	414
Accounts receivable (−)	−853	−32,364	−52,800	−34,050
Total obligated balance	1,110	−30,390	−52,386	−33,636
Unobligated balance	233,172	376,850	609,340	766,230

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel		$500	$500
07 Other contractual services	$16,950	86,860	16,860
Total obligations	16,950	87,360	17,360

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administrative expense:			
Maritime Administration:			
Ship construction	$801,143	$1,400,000	$2,300,000
Repair of reserve fleet vessels	35,473		
Vessel operations	1,228,819	1,270,000	1,110,000
Department of Agriculture	65,665	97,000	97,000
Department of State	62,000		
Department of Defense	672,573	517,000	34,000
Department of Commerce		15,000	52,000
Purchase of equipment from proceeds of sales (40 U. S. C. 481 (c))	1,069		
Miscellaneous services to other accounts	11,092	10,000	10,000
Total, administrative expense	2,877,834	3,309,000	3,603,000
2. Shipyards, warehouses, and reserve training station:			
Vessel operations, maritime activities	23,788	14,900	14,900
Department of Agriculture	1,662		
Miscellaneous services to non-Federal agencies	43,533	42,600	38,100
Total, shipyards, warehouses, and reserve training station	68,983	57,500	53,000
3. Reserve fleet expense:			
Maritime Administration: Repair of reserve fleet vessels	228,823		
Department of Agriculture	792,641	1,041,700	780,300
Department of Defense	115,235	416,400	239,500
Total, reserve fleet expense	1,136,699	1,458,100	1,019,800
4. Maritime training: Cadet training:			
Miscellaneous services to non-Federal agencies	480	500	500
Total obligations	4,083,996	4,825,100	4,676,300
Financing:			
Advances and reimbursements from—			
Other accounts	4,038,914	4,782,000	4,637,700
Non-Federal sources	45,082	43,100	38,600
Total financing	4,083,996	4,825,100	4,676,300

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	996	887	787
Full-time equivalent of all other positions	1		
Average number of all employees	674	728	676
Number of employees at end of year	575	659	736
Average GS grade and salary	8.3 $5,949	8.7 $6,227	8.8 $6,277
Average salary of ungraded positions	$4,047	$4,374	$4,422
01 Personal services:			
Permanent positions	$3,562,464	$4,010,300	$3,837,800
Positions other than permanent	1,513		
Other personal services	62,560	69,600	64,300
Total personal services	3,626,537	4,079,900	3,902,100
02 Travel	133,142	157,300	153,300
03 Transportation of things	15,341	13,200	49,700
04 Communication services	32,622	32,900	43,600
05 Rents and utility services	49,075	49,800	46,100
06 Printing and reproduction	9,907	11,000	13,000
07 Other contractual services	32,268	30,200	36,400
Services performed by other agencies	41,350	23,000	28,000
08 Supplies and materials	100,686	148,200	123,200
09 Equipment	33,646	34,400	35,000
11 Grants, subsidies, and contributions		232,700	237,100
13 Refunds, awards, and indemnities	976	1,400	1,400
15 Taxes and assessments	8,446	11,100	7,400
Total obligations	4,083,996	4,825,100	4,676,300

GENERAL PROVISIONS—MARITIME ACTIVITIES

[General provisions—Maritime activities:] No additional vessels shall be allocated under charter, nor shall any vessel be continued under charter by reason of any extension of chartering authority beyond June 30, 1949, unless the charterer shall agree that the Maritime Administration shall have no obligation upon redelivery to accept or pay for consumable stores, bunkers and slop-chest items, except with respect to such minimum amounts of bunkers as the Maritime Administration considers advisable to be retained on the vessel and that prior to such redelivery all consumable stores, slop-chest items, and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

No money made available to the Department of Commerce for maritime activities, by this or any other Act shall be used in payment for a vessel the title to which is acquired by the Government either by requisition or purchase, or the use of which is taken either by requisition or agreement, or which is insured by the Government and lost while so insured, unless the price or hire to be paid therefor (except in cases where section 802 of the Merchant Marine Act, 1936, as amended, is applicable) is computed in accordance with subsection 902 (a) of said Act, as that subsection is interpreted by the General Accounting Office.

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received by the Maritime Administration for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, or in any prior appropriation Act, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts. (*71 Stat. 74; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Commodity Credit Corporation fund."
"Construction of ships, Military Sea Transportation Service," Department of Defense.
"Shipbuilding and conversion," Department of the Navy.
"Construction of a surveying ship," Coast and Geodetic Survey.

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INLAND WATERWAYS CORPORATION

Public enterprise funds:

INLAND WATERWAYS CORPORATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Liquidation of carrier program:			
Administrative expenses	$11,527	$4,500	$2,500
Delayed carrier expense (net)	3,044		
Other expense	371	5,001	5,000
Adjustment of prior year expense	350		
Total operating costs	15,292	9,501	7,500
Relation of costs to obligations (increase or decrease (−) in deferred charges)	1	−1	
Total program (obligations)	15,293	9,500	7,500
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	417,998	402,500	411,205
Interest on loans	290,850	275,850	260,850
Total amounts becoming available	708,848	678,350	672,055
Unobligated balance brought forward	4,059,069	4,752,624	5,421,474
Total amounts available	4,767,917	5,430,974	6,093,529
Unobligated balance carried forward	−4,752,624	5,421,474	6,086,029
Financing applied to program	15,293	9,500	7,500

The physical facilities and operating rights of the Inland Waterways Corporation were sold to Federal Barge Lines, Inc., in 1953, for $9 million, payable through a mortgage bearing interest at 3¾%. Current activities of the Corporation consist of administering the mortgage and winding up its affairs as a carrier.

The loans due the Corporation are being repaid at the anticipated rate. The loan to the dock commissioners at New Orleans, La., was liquidated in 1957, and it is anticipated that the other municipality loan can be settled by the end of 1959.

Net income of $266,349 is expected for 1958. The income from interest payments serves to reduce the deficit accumulated when the line was federally operated. Although ultimate interest earnings will not be sufficient to eliminate this deficit, the collection of such interest together with the remaining principal will add substantially to the 1959 estimated unobligated balance of $6.1 million, which will eventually be returned to the Treasury.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Liquidation of carrier program: Expense	$15,292	$9,501	$7,500
Increase in selected working capital		730,920	37,000
Total gross expenditures	15,292	740,421	44,500
Receipts from operations (funds provided):			
Liquidation of loan program:			
Revenue	290,850	275,850	260,850
Loan repayments	417,998	402,500	411,205
Decrease in selected working capital	665,261		
Total receipts from operations	1,374,109	678,350	672,055
Budget expenditures	−1,358,817	62,071	−627,555

Revenue, Expense, and Retained Earnings

Liquidation of loan program: Revenue	$290,850	$275,850	$260,850
Liquidation of carrier program: Expense net operating loss (−)	−14,942	−9,501	−7,500
Net income for the year	275,908	266,349	253,350
Analysis of retained earnings:			
Deficit (−), beginning of year	−15,451,556	−15,175,998	−14,909,649
Adjustment of prior year expense	−350		
Deficit (−), end of year	−15,175,998	−14,909,649	−14,656,299

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$5,331,850	$5,269,779	$5,897,334
Cash on hand and in transit		675,850	660,850
Loans receivable	7,369,705	6,967,205	6,556,000
Deferred charges	1		
Total assets	12,701,556	12,912,834	13,114,184
Liabilities:			
Current	579,226	524,155	472,155
Government investment:			
Non-interest-bearing capital	27,298,328	27,298,328	27,298,328
Deficit (−)	−15,175,998	−14,909,649	−14,656,299
Total Government investment	12,122,330	12,388,679	12,642,029

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$3,973,033	$5,331,850	$5,269,779	$5,897,334
Obligated balance, net:				
Current liabilities	619,814	579,226	524,155	472,155
Accounts receivable, net and cash in transit (−)	−705,850		−675,850	−660,850
Total obligated balance	−86,036	579,226	−151,695	−188,695
Unobligated balance	4,059,069	4,752,624	5,421,474	6,086,029

LIMITATION ON ADMINISTRATIVE EXPENSES, INLAND WATERWAYS CORPORATION

[Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce):] Not to exceed [$4,500] *$2,500* shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947). (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$11,527	$4,500	$2,500
Financing:			
Unobligated balance no longer available	2,473		
Limitation	14,000	4,500	2,500

Object Classification

04	Communication services	$5	$50	$50
06	Printing and reproduction	22	50	50
07	Other contractual services		900	900
	Services performed by other agencies	11,500	3,500	1,500
	Total obligations	11,527	4,500	2,500

PATENT OFFICE

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Patent Office, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed $50 per diem (not to exceed $25,000); and defense of suits instituted against the Commissioner of Patents; $19,000,000. (*5 U. S. C. 602; 15 U. S. C. 1051; 35 U. S. C. 1–42; 44 U. S. C. 283–284; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$19,000,000** Estimate 1959, **$19,000,000**

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PATENT OFFICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration of patent and trademark system	$13,123,701	$15,060,000	$15,110,000
2. Printing and publication of patent and trademark material	2,713,980	3,215,000	3,165,000
3. Executive direction and administrative services	675,094	725,000	725,000
Total obligations	16,512,775	19,000,000	19,000,000
Financing:			
Unobligated balance no longer available	487,225		
Appropriation (new obligational authority)	17,000,000	19,000,000	19,000,000

The Office administers laws governing the granting of patents for inventions and the registration of trademarks.

The 1959 program is the second year of an effort to reduce the patent application backlog to a manageable level. The Office is continuing its modernization of the patent classification system and its research, in conjunction with the National Bureau of Standards, to develop electronic devices in the patent search process.

Receipts from fees deposited in miscellaneous receipts were $7,423,649 (including $593,794 applicable to 1956 operations) in 1957, and are estimated under existing legislation to be $7,000,000 in 1958 and in 1959. Legislation has been proposed which, if enacted, would raise 1959 receipts to $10,500,000.

PATENT AND TRADEMARK ISSUANCES

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Patents granted (excluding designs)	40,694	45,102	49,000	48,000
Design patents granted	3,104	2,375	3,000	3,000
Trademarks registered	21,613	17,864	20,000	20,000
WORKLOAD SUMMARY				
Patents (excluding designs):				
New applications received	75,733	73,783	75,000	75,000
Applications disposed of	79,601	75,039	90,000	85,000
Applications pending, end of year	217,536	215,535	200,000	190,000
Design patents:				
New applications received	5,322	4,675	5,000	5,000
Applications disposed of	5,639	4,549	6,000	6,000
Applications pending, end of year	6,605	6,757	6,000	5,000
Trademark registrations:				
New applications received	21,735	21,581	22,000	22,000
Applications disposed of	25,466	22,799	25,000	25,000
Applications pending, end of year	18,528	19,663	17,000	14,000

1. *Administration of patent and trademark system.*—Applications are examined to determine the patentability of claimed inventions and the registrability of trademarks; quasi-judicial functions are performed in appeal or interference proceedings within the Office; patents and trademarks are issued; and copies of records are furnished.

2. *Printing and publication of patent and trademark material.*—Included in this activity are printing of specifications and drawings of patents and trademark registrations; and publication of their issuance, and of official notices, rules of practice, and laws. The need for funds is governed largely by the volume of issuances and related public demand for printed copies.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	2,350		2,350		2,250	
Average number of all employees	2,036		2,250		2,150	
Number of employees at end of year	2,283		2,200		2,200	
Average GS grade and salary	7.5	$5,859	7.8	$6,124	8.2	$6,353

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
01	Personal services:			
	Permanent positions	$12,096,076	$13,678,000	$13,693,000
	Other personal services	609,831	347,000	347,000
	Total personal services	12,705,907	14,025,000	14,040,000
02	Travel	33,740	20,000	20,000
03	Transportation of things	6,454	7,000	7,000
04	Communication services	85,018	95,000	95,000
05	Rents and utility services	36,501	50,000	50,000
06	Printing and reproduction	2,713,980	3,215,000	3,165,000
07	Other contractual services	488,941	320,000	320,000
08	Supplies and materials	184,422	190,000	190,000
09	Equipment	232,413	215,000	215,000
11	Grants, subsidies, and contributions		860,000	895,000
13	Refunds, awards, and indemnities	21,674		
15	Taxes and assessments	3,725	3,000	3,000
	Total obligations	16,512,775	19,000,000	19,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Technical assistance (total obligations)	$1,292		
Financing:			
Advances and reimbursements from other accounts	1,292		

Object Classification

Number of employees at end of year	0		
01 Personal services: Permanent positions	$1,292		

BUREAU OF PUBLIC ROADS

Current authorizations:

General administrative expenses: Necessary expenses of administration, including advertising (including advertising in the city of Washington for work to be performed in areas adjacent thereto), purchase of [seventy-five] *fifty* passenger motor vehicles for replacement only, and the maintenance and repairs of experimental highways, shall be paid, in accordance with law, from appropriations available to the Bureau of Public Roads.

Of the total amount available from appropriations of the Bureau of Public Roads for general administrative expenses, pursuant to the provisions of section 21 of the Act of November 9, 1921, as amended (23 U. S. C. 21), $100,000 shall be available for all necessary expenses to enable the President to utilize the services of the Bureau of Public Roads in fulfilling the obligations of the United States under the Convention on the Pan-American Highway Between the United States and Other American Republics (51 Stat. 152), cooperation with several governments, members of the Pan American Union, in connection with the survey and construction of the Inter-American Highway, and for performing engineering service in Pan-American countries for and upon the request of any agency or governmental corporation of the United States. (*23 U. S. C. 21; section 6 of the Act of June 29, 1948, 62 Stat. 1105, as amended or supplemented by the Act of May 6, 1954, 68 Stat. 70; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

FEDERAL-AID HIGHWAYS (TRUST FUND)

[Federal-aid highways (trust fund):] For carrying out the provisions of the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, which are attributable to Federal-aid highways, to remain available until expended, not more than [$1,690,000,000] *$2,350,000,000,* to be derived from the "Highway trust fund"; which sum is composed of [$264,500,000] *$327,500,000,* the balance of the amount authorized for the fiscal year [1956, and $1,422,500,000] *1957, and $2,014,500,000,* a part of the amount authorized to be appropriated for the fiscal year [1957, and $2,396.73, $17,700.07,

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$816,392.20, and $1,492,268] *1958, and $51,055.41 and $7,483,952.74,* the latter sums being for reimbursement of the sums expended for the repair or reconstruction of highways and bridges which have been damaged or destroyed by floods, hurricanes, or landslides, as provided by [section 4 of the Act approved June 8, 1938, section 7 of the Act approved July 13, 1943, and] section 9 of the Act approved September 7, 1950, as amended (23 U. S. C. 13a and 13b), and section 7 of the Act approved June 25, 1952, [and $671,243] *as amended, and $464,991.85* for reimbursement of the sums expended for the design and construction of highway bridges upon and across dams in accordance with the Act of July 29, 1946 (60 Stat. 709): *Provided, That the amount made available herein shall be available for the purchase, construction, or alteration of buildings and sites necessary for road construction and maintenance activities in Alaska. (Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Grants for construction:			
(*a*) Interstate system	$1,385,639,624	$1,665,000,000	$1,460,000,000
(*b*) Primary system	398,881,778	380,000,000	380,000,000
(*c*) Secondary system	250,100,320	250,000,000	250,000,000
(*d*) Urban highways	177,853,933	195,000,000	195,000,000
(*e*) Disaster assistance	3,556,780	12,400,000	11,261,000
2. Administration and research	13,637,697	22,600,000	23,739,000
Total direct obligations	2,229,670,132	2,525,000,000	2,320,000,000
Reimbursable obligations:			
1. Grants for construction	4,991	6,000,000	3,000,000
2. Administration and research:			
Department of Agriculture	142,747	200,600	208,000
Department of Defense	62,169	112,000	123,000
Department of the Interior	478,011	766,000	826,200
Bureau of Public Roads:			
Forest highways	492,020	815,000	820,000
Public lands highways	21,299	50,000	40,000
Miscellaneous accounts	14,081	223,400	191,800
Miscellaneous:			
Other Federal agencies	267,013	313,000	271,000
Non-Federal sources	11,310	20,000	20,000
Total reimbursable obligations	1,493,641	8,500,000	5,500,000
Total obligations	2,231,163,773	2,533,500,000	2,325,500,000
Financing:			
Unobligated balance brought forward:			
Appropriation		−4	
Contract authorization		−2,268,147,746	−2,630,547,750
Unobligated balance of prior contract authorization transferred from "Federal-aid highways"	−1,939,235,990		
Advances and reimbursements from—			
Other accounts	−1,477,340	−7,616,000	−5,026,000
Non-Federal sources	−16,301	−884,000	−474,000
Recovery of prior year obligations	−5,025,112		
Unobligated balance carried forward:			
Appropriation	4		
Contract authorization	2,268,147,746	2,630,547,750	2,521,808,750
Unobligated balance no longer available: Contract authorization	26,443,220	17,600,000	18,739,000
Contract authorization (new)	2,580,000,000	2,905,000,000	2,230,000,000

Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year		$4,603,770,618	$5,801,170,618
Balance of unfunded contract authorization transferred from "Federal-aid highways"	$3,100,213,838		
Contract authorization (new)	2,580,000,000	2,905,000,000	2,230,000,000
Administrative cancellation of unfunded balance	−26,443,220	−17,600,000	−18,739,000
Unfunded balance at end of year	−4,603,770,618	−5,801,170,618	−5,662,431,618
Transfer from "Highway trust fund" to liquidate contract authorization (see below)	1,050,000,000	1,690,000,000	2,350,000,000

1. *Grants for construction.*—Grants are made to States for construction and improvement of the 41,000-mile national system of interstate and defense highways, the primary and secondary systems, and urban extensions of the primary and secondary systems. The Federal-aid highway program was greatly expanded with enactment of the Federal-Aid Highway Act of 1956.

The Federal share of the cost of projects on the national system of interstate and defense highways is 90% plus not more than an additional 5% for those States having large areas of public lands. The Federal share of primary, secondary, and urban highway projects is 50% plus an additional percentage for States having large public land areas.

The Highway Revenue Act of 1956 created the highway trust fund into which are deposited certain percentages of tax receipts on motor fuel, tires and tubes, tread rubber, trucks, buses, trailers and truck use, and from which transfers are now made to finance the Federal-aid highway program. Revenues accruing to the highway trust fund were sufficient to meet program expenditure requirements in 1957 and it is estimated they will continue to satisfy expenditure requirements without delaying the program through 1959.

Actual and estimated progress of the program is summarized in the following tables:

[Dollars in thousands]

Fiscal year	*Contract authorization* [1]	*Unobligated contract authorization, end of year*	*Federal payments*	*Projects approved*		
				Number	*Total cost*	*Federal share*
1955	$575,000	$837,322	$594,925	5,898	$1,382,992	$710,000
1956	875,000	1,939,236	740,343	6,650	1,695,808	885,000
1957	2,000,000	2,268,148	965,507	8,011	3,370,000	2,216,000
1958	2,550,000	2,630,548	1,774,493	8,400	3,750,000	2,502,000
1959	2,875,000	2,521,809	2,350,000	8,200	3,475,000	2,296,000

[1] Each fiscal year authorization becomes available for obligation not later than Jan. 1 in the preceding fiscal year. Amounts exclude contract authorizations for disaster assistance.

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FEDERAL-AID HIGHWAYS (TRUST FUND)—Continued

THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS—STATUS OF THE PROGRAM AS OF DEC. 1, 1957

[Dollars in thousands]

State	Miles on system [1]	Apportionment to States (1956 act authorizations)	Unprogramed balance	Programed only		Construction contracts advertised and funds obligated for preliminary engineering and right-of-way acquisition, July 1, 1956, to date		Construction contracts completed July 1, 1956 to date [2]		
				Federal funds	Miles	Federal funds	Miles	Total cost	Federal funds	Miles
Alabama	947	$95,524	$26,146	$44,202	111.5	$27,185	62.3	$3,450	$2,541	17.1
Arizona	1,187	53,786	14,901	20,606	100.8	18,809	87.1	2,871	2,253	46.6
Arkansas	547	67,910	29,662	14,696	21.3	27,563	25.6	1,432	859	4.0
California	2,159	269,341	72,098	16,844	7.3	180,400	135.6	21,167	11,877	22.9
Colorado	678	63,967	25,358	9,942	44.2	31,196	118.3	4,891	3,228	39.2
Connecticut	278	45,180	25,206			22,908	15.5	618	333	5.2
Delaware	42	29,313	27,569	171		3,829	[3]			
Florida	1,173	79,578	46,540	12,015	9.4	23,507	9.9	2,445	1,403	3.5
Georgia	1,171	108,923	23,294	66,921	64.2	24,375	25.5			
Idaho	659	47,578	32,595	10,267	18.3	7,443	26.1	1,110	765	8.5
Illinois	1,662	220,986	33,474	55,135	27.2	132,747	41.4	16,438	10,271	43.4
Indiana	1,112	114,013	102,378	3,861	3.5	13,049	.6	4,069	2,442	4.5
Iowa	736	95,407	29,290	45,483	151.2	27,502	91.8	1,760	1,584	10.9
Kansas	771	84,911	31,458	29,968	140.8	23,569	73.3	4,957	3,289	59.5
Kentucky	668	87,817	45,460	17,333	11.2	28,748	13.6	4,307	2,673	2.7
Louisiana	657	77,250	37,150	26,660	35.9	16,841	7.0	590	295	4.1
Maine	313	37,702	33,024	2,439	1.3	3,855	4.2	3,794	2,273	8.3
Maryland	355	56,377	7,618	8,511	4.9	41,225	27.2	1,825	1,024	2.3
Massachusetts	415	100,122	37,398	29,807	13.8	35,072	11.4			
Michigan	1,098	169,006	56,432	45,413	57.6	68,766	69.8	20,295	14,049	65.7
Minnesota	935	105,801	43,859	6,520	9.8	58,325	40.5	4,227	2,647	71.6
Mississippi	691	74,354	9,141	26,448	90.6	41,284	96.0	2,099	1,184	27.1
Missouri	1,159	126,728	55,743	15,581	11.3	55,753	57.6	15,091	10,221	38.5
Montana	1,239	67,295	53,330	2,785	20.3	16,215	34.6	1,532	1,154	23.7
Nebraska	503	67,166	61,301	1,625	.3	9,575	11.3			
Nevada	540	48,932	21,673	11,715	28.0	17,512	6.3	1,723	1,494	5.5
New Hampshire	214	29,313	15,386	4,104	7.1	11,116	10.3	250	239	[3]
New Jersey	354	102,673	71,395	1,086		36,974	11.9	1,450	841	1.9
New Mexico	1,013	57,024	20,193	364		36,621	139.0	7,846	6,908	35.5
New York	1,232	333,282	83,110	20,513	16.5	232,596	65.4	12,466	6,073	15.1
North Carolina	714	119,333	77,795	8,998	55.6	37,382	211.4	5,823	3,251	49.2
North Dakota	517	51,838	31,509	9,505	42.1	13,610	66.6	3,485	2,763	54.2
Ohio	1,353	200,393	1,316	67,006	53.3	135,165	92.6	13,750	8,473	31.6
Oklahoma	835	84,012	24,735	31,268	96.2	31,309	76.1	5,723	3,411	12.4
Oregon	757	63,469	26,808	6,070	21.2	30,624	96.3	9,405	7,522	50.1
Pennsylvania	1,478	251,152	113,497	29,267	42.5	116,907	81.9	12,920	7,752	21.5
Rhode Island	68	29,313	12,646	253		16,763	8.1			
South Carolina	769	63,023	37,698	17,301	28.1	11,250	57.6	1,196	770	12.5
South Dakota	531	54,437	30,360	16,056	31.5	10,293	34.8	5,052	3,249	97.3
Tennessee	1,093	99,935	32,539	42,613	23.7	31,997	11.9	27	16	
Texas	2,912	270,186	158,525	990	6.2	111,835	409.2	31,085	21,491	220.4
Utah	716	45,644	6,352	25,723	65.9	13,644	4.7	3,388	2,644	12.8
Vermont	344	29,313	19,035			12,512	7.8			
Virginia	1,008	94,722	16,942	40,074	36.1	41,049	36.3	1,379	762	16.7
Washington	632	75,517	35,860	7,714	29.3	34,573	87.1	5,429	4,074	16.9
West Virginia	226	55,756	29,696	25,353	32.7	4,570				
Wisconsin	482	106,688	76,523	10,432	65.4	26,498	32.5	1,626	885	3.4
Wyoming	1,019	48,697	4,690	14,060	54.3	30,712	110.6	4,615	3,249	42.7
District of Columbia	28	29,313	14,014	3,600		13,818	.4			
Total	39,990	4,690,000	1,922,722	907,298	1,692.4	1,999,071	2,745.0	247,606	162,232	1,209.0

[1] Mileage of designated interstate system as of Dec. 31, 1956. Does not include increase in mileage of system authorized by Federal-Aid Highway Act of 1956, which increased the total system to 41,000 miles.

[2] Includes completed projects authorized prior to July 1, 1956.

[3] Less than 0.05 of a mile.

2. *Administration and research.*—Administrative, engineering, and research expenses are met by deductions of not to exceed 3¾% from the Federal-aid authorizations and by reimbursement from other appropriations for highway construction. The 1958 and 1959 estimates include costs in connection with the AASHO (Illinois) road test and several special studies expressly directed in the 1956 act. Highway research is carried out independently as well as in cooperation with the State highway departments.

Reimbursable obligations.—Highway construction and maintenance services are performed in Alaska for other highway programs of (*a*) the Bureau of Public Roads, (*b*) other Federal agencies, and (*c*) the Territory of Alaska. Administrative services for other programs of the Bureau of Public Roads are initially financed from this fund and reimbursements of their pro rata share are collected periodically from the other programs.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF PUBLIC ROADS			
Total number of permanent positions	2,172	3,158	3,499
Full-time equivalent of all other positions	16	151	160
Average number of all employees	1,939	2,951	3,411
Number of employees at end of year	2,089	3,364	3,744
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
Personal service obligations:			
Permanent positions	$11,930,790	$17,591,000	$20,358,000
Positions other than permanent	61,925	959,000	1,019,000
Other personal services	70,588	694,000	669,000
Total personal service obligations	12,063,303	19,244,000	22,046,000
Direct obligations:			
01 Personal services	10,830,375	15,889,000	19,293,000
02 Travel	638,205	1,009,000	1,385,000
03 Transportation of things	57,402	266,000	361,000
04 Communication services	168,276	206,000	246,000
05 Rents and utility services	274,251	481,000	750,000

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
BUREAU OF PUBLIC ROADS—continued			
Direct obligations—Continued			
06 Printing and reproduction	$88,325	$145,000	$177,000
07 Other contractual services	580,258	1,012,996	1,243,000
08 Supplies and materials	233,023	1,260,000	1,172,000
09 Equipment	362,253	800,000	947,000
10 Lands and structures		5,441,000	6,120,000
11 Grants, subsidies, and contributions	2,216,420,716	2,498,560,000	2,288,392,000
13 Refunds, awards, and indemnities	10,288		
15 Taxes and assessments	3,572	20,000	31,000
Subtotal	2,229,666,944	2,525,089,996	2,320,117,000
Deduct quarters and subsistence charges		90,000	117,000
Total direct obligations	2,229,666,944	2,524,999,996	2,320,000,000
Reimbursable obligations:			
01 Personal services	1,232,928	3,355,000	2,753,000
02 Travel	94,765	176,000	181,000
03 Transportation of things	6,645	102,000	77,000
04 Communication services	22,218	34,000	33,000
05 Rents and utility services	36,600	87,000	104,000
06 Printing and reproduction	9,431	12,000	13,000
07 Other contractual services	25,398	92,000	85,000
08 Supplies and materials	22,595	690,000	290,000
09 Equipment	41,531	277,000	180,000
10 Lands and structures		3,587,000	1,685,000
11 Grants, subsidies, and contributions		136,000	126,000
13 Refunds, awards, and indemnities	1,300		
15 Taxes and assessments	230	12,000	6,000
Subtotal	1,493,641	8,560,000	5,533,000
Deduct quarters and subsistence charges		60,000	33,000
Total reimbursable obligations	1,493,641	8,500,000	5,500,000
Total, Bureau of Public Roads	2,231,160,585	2,533,499,996	2,325,500,000
ALLOCATION TO NATIONAL BUREAU OF STANDARDS			
07 Other contractual services	3,188	4	
Total obligations	2,231,163,773	2,533,500,000	2,325,500,000

Forest Highways (Trust Fund)

[Forest highways (liquidation of contract authorization):] For expenses, not otherwise provided for, necessary for carrying out the provisions of section 23 of the Federal Highway Act of November 9, 1921, as amended (23 U. S. C. 23, 23a), to remain available until expended, [$25,000,000] *$30,000,000, to be derived from the "Highway trust fund,"* which sum is composed of [$16,250,000] *$22,250,000*, the remainder of the amount authorized to be appropriated for the fiscal year [1957] *1958*, and [$8,750,000] *$7,750,000*, a part of the amount authorized to be appropriated for the fiscal year [1958] *1959*: *Provided*, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance, but the total cost of any such item under this authorization shall not exceed $15,000. (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

NOTE.—Estimate is for activities previously carried under "Forest highways (liquidation of contract authorization)". The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Construction	$23,424,112	$27,085,000	$27,276,634
2. Administration	578,942	815,000	820,000
3. Forest Service administration	79,810	100,000	100,000
Total direct obligations	24,082,864	28,000,000	28,196,634
Reimbursable obligations:			
1. Construction	1,741,539	1,575,000	1,575,000
2. Administration	623		
Total reimbursable obligations	1,742,162	1,575,000	1,575,000
Total obligations	25,825,026	29,575,000	29,771,634
Financing:			
Comparative transfers from (—) other accounts	—25,825,026	—29,575,000	
Unobligated balance of prior contract authorization transferred from "Forest highways (liquidation of contract authorization)"			—29,996,634

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Advances and reimbursements from—			
Other accounts			—$1,500,000
Non-Federal sources			—75,000
Unobligated balance carried forward (contract authorization)			1,800,000
Contract authorization			

Status of Unfunded Contract Authorization

Unfunded balance transferred from "Forest highways (liquidation of contract authorization)"			$52,250,000
Unfunded balance at end of year			—22,250,000
Transfer from "Highway trust fund" to liquidate contract authorization (see below)			30,000,000

1. *Construction.*—Main highways within or adjacent to the national forests are constructed and improved. Projects are jointly selected by the States, the Forest Service, and the Bureau of Public Roads on the basis of their contribution to meeting traffic and national defense requirements within the national forests. Authorizations are apportioned by States on the basis of a formula which uses as factors the national forest area and value in each State. Contract authorizations of $30 million for both 1958 and 1959 are available.

It is proposed that, beginning in 1959, the financing of this program be transferred to the highway trust fund. Since forest highways are similar in character and use to Federal-aid highways and in most cases are on the Federal-aid highway systems, they should logically be financed from the highway trust fund in the same manner as the regular Federal-aid programs.

Actual and estimated progress of the program are summarized in the following table:

Fiscal year	*Annual authorization*[1]	*Miles completed*	*Unobligated balance—end of year*	*Obligations for projects*	*Expenditures*
1955	$22,500,000	400	$20,139,465	$23,168,840	$21,367,836
1956	22,500,000	701	22,079,498	19,762,068	23,647,714
1957	22,500,000	497	27,996,634	23,424,112	21,502,050
1958	30,000,000	600	29,996,634	27,085,000	26,779,403
1959	30,000,000	700	1,800,000	27,276,634	30,000,000

[1] Each fiscal year authorization becomes available for obligation not later than Jan. 1 in the preceding fiscal year.

2. *Administration.*—In addition to administration this covers the costs of engineering supervision of the program.

3. *Forest Service administration.*—Payments to the Forest Service are made to cover its administrative and engineering costs in connection with the forest highway program.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	625		625		625	
Full-time equivalent of all other positions	206		135		125	
Average number of all employees	667		635		615	
Number of employees at end of year	855		775		775	
Average GS grade and salary	7.6	$5,648	7.6	$5,664	7.8	$5,784
Personal service obligations:						
Permanent positions	$2,288,496		$2,517,000		$2,495,000	
Positions other than permanent	828,438		493,000		450,000	
Other personal services	174,237		138,000		80,000	
Total personal service obligations	3,291,171		3,148,000		3,025,000	
Direct obligations:						
01 Personal services	2,487,930		2,423,000		2,300,000	
02 Travel	339,549		325,000		315,000	
03 Transportation of things	29,247		85,000		90,000	
04 Communication services	7,827		15,000		15,000	
05 Rents and utility services	86,357		130,000		120,000	

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FOREST HIGHWAYS (TRUST FUND)—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Direct obligations—Continued			
06 Printing and reproduction	$10,842	$15,000	$15,000
07 Other contractual services	658,104	940,000	920,000
08 Supplies and materials	434,715	650,000	700,000
09 Equipment	118,729	225,000	200,000
10 Lands and structures	19,891,390	23,050,000	23,384,634
11 Grants, subsidies and contributions		130,000	125,000
15 Taxes and assessments	21,770	12,000	12,000
Subtotal	24,086,460	28,000,000	28,196,634
Deduct quarters and subsistence charges	3,596		
Total direct obligations	24,082,864	28,000,000	28,196,634
Reimbursable obligations:			
01 Personal services	803,241	725,000	725,000
02 Travel	16,853	15,000	15,000
03 Transportation of things	10,245	9,000	9,000
04 Communication services	1,927	1,000	1,000
05 Rents and utility services	18,245	16,000	16,000
06 Printing and reproduction	1,265	1,000	1,000
07 Other contractual services	385,384	337,000	337,000
08 Supplies and materials	270,972	235,000	235,000
09 Equipment	142,486	125,000	125,000
10 Lands and structures	84,044	75,000	75,000
11 Grants, subsidies, and contributions		30,000	30,000
15 Taxes and assessments	7,500	6,000	6,000
Total reimbursable obligations	1,742,162	1,575,000	1,575,000
Total obligations	25,825,026	29,575,000	29,771,634

PUBLIC LANDS HIGHWAYS (TRUST FUND)

[Public lands highways (liquidation of contract authorization):] For payment of obligations incurred pursuant to the contract authorization granted by [section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73) and] section 106 of the Federal-Aid Highway Act of 1956 [(70 Stat. 376)] (*23 U. S. C. 155*), to remain available until expended, [$1,500,000, a part of the amount authorized for fiscal year 1957.] *$2,692,000, to be derived from the "Highway trust fund"; which sum is composed of $692,000, the balance of the amount authorized to be appropriated for the fiscal year 1958, and $2,000,000, the amount authorized for the fiscal year 1959. (Department of Commerce and Related Agencies Appropriation Act, 1958; Supplemental Appropriation Act, 1958.)*

NOTE.—Estimate is for activities previously carried under "Public lands highways (liquidation of contract authorization)." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction	$3,731,731	$3,480,323	
2. Administration	21,299	50,000	$40,000
Total obligations	3,753,030	3,530,323	40,000
Financing:			
Comparative transfer from (−) other accounts	−3,753,030	−3,530,323	
Unobligated balance of prior contract authorization transferred from "Public lands highways (liquidation of contract authorization)"			−40,000
Contract authorization			

Status of Unfunded Contract Authorization

Unfunded balance transferred from "Public lands highways (liquidation of contract authorization)"			$2,692,000
Transfer from "Highway trust fund" to liquidate contract authorization (see below)			2,692,000

1. *Construction.*—Highways are constructed and improved through public lands in those States with large areas of such lands. The 1959 estimate finances the remainder ($692,000) of the authorization for 1958 and the full amount ($2,000,000) of the authorization for 1959 as provided by sections 105 and 106 of the Federal-Aid Highway Act of 1956.

It is proposed that, beginning in 1959, the financing of this program be transferred to the highway trust fund. These highways are similar in character and use to Federal-aid highways and are all on either the Federal-aid primary or secondary systems. Therefore, they should logically be financed from the trust fund in the same manner as the regular Federal-aid programs.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1		
Average number of all employees	6	5	5
Number of employees at end of year	8	5	5
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$19,194	$19,925	$19,925
Positions other than permanent	2,170		
Other personal services	280	75	75
Total personal services	21,644	20,000	20,000
02 Travel	6,805	2,000	2,000
03 Transportation of things	6		
04 Communication services	110	100	100
05 Rents and utility services	998	1,000	1,000
06 Printing and reproduction	607	500	500
07 Other contractual services	30,871	53,000	43,100
08 Supplies and materials	358	1,000	1,000
09 Equipment	11		
10 Lands and structures	3,091,620	3,451,423	
11 Grants, subsidies, and contributions		1,300	1,300
Subtotal	3,153,030	3,530,323	69,000
Deduct: Portion of foregoing obligations originally charged to object class 10			29,000
Total, Bureau of Public Roads	3,153,030	3,530,323	40,000
ALLOCATION TO BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR			
10 Lands and structures	600,000		
Total obligations	3,753,030	3,530,323	40,000

INTER-AMERICAN HIGHWAY

[Inter-American Highway: For necessary expenses of completing the survey and construction of the Inter-American Highway, in accordance with the provisions of the Act of December 26, 1941 (55 Stat. 860), as amended, to remain available until expended, $12,000,000, which sum is the remainder of the amount authorized to be appropriated by the Act of July 1, 1955.] (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$12,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Construction	$23,287,148	$17,482,647	
2. Administration and engineering	277,274	400,000	$400,000
Total direct obligations	23,564,422	17,882,647	400,000
Reimbursable obligations:			
1. Construction	90,405		
2. Administration and engineering	99		
Total reimbursable obligations	90,504		
Total obligations	23,654,926	17,882,647	400,000
Financing:			
Unobligated balance brought forward	−30,147,069	−6,582,647	−700,000
Advances and reimbursements from—			
Other accounts	−81,248		
Non-Federal sources	−9,256		
Unobligated balance carried forward	6,582,647	700,000	300,000
Appropriation (new obligational authority)		12,000,000	

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1. *Construction.*—The Central American section of the Inter-American Highway is being constructed in cooperation with the Republics of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. These Republics pay one-third of the cost of the highway through their countries. The section will be approximately 1,573 miles of all-weather road and will connect with the completed Mexican section to permit uninterrupted motor travel from the United States to Panama. With the closing of the 25-mile gap in northern Guatemala early in 1958, the highway will be opened to controlled travel as far south as San Isidro, Costa Rica.

It is estimated that additional authorization of $10 million will be required in order to provide a bituminous surface on the full length of the highway. These funds should be made available in 1959, and a supplemental appropriation for this purpose is proposed for later transmission.

2. *Administration and engineering.*—A small administrative and engineering staff is maintained in Washington and in the Central American countries.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	87	94	96
Full-time equivalent of all other positions	19	3	3
Average number of all employees	75	91	99
Number of employees at end of year	81	97	99
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
Personal service obligations:			
Permanent positions	$341,865	$511,620	$528,420
Positions other than permanent	59,923	6,480	6,580
Other personal services	101,391	135,900	147,000
Total personal service obligations	503,179	654,000	682,000
Direct obligations:			
01 Personal services	473,313	654,000	682,000
02 Travel	64,214	72,000	72,000
03 Transportation of things	57,706	65,000	65,000
04 Communication services	7,136	12,000	12,000
05 Rents and utility services	16,852	25,000	25,000
06 Printing and reproduction	3,436	5,000	5,000
07 Other contractual services	521,285	50,000	50,000
08 Supplies and materials	206,174	1,565,000	110,000
09 Equipment	71,933	32,000	14,000
11 Grants, subsidies and contributions	23,287,148	17,516,147	34,700
13 Refunds, awards and indemnities	430		
15 Taxes and assessments	1,203	1,600	1,600
Subtotal	24,710,830	19,997,747	1,071,300
Deduct portion of foregoing obligations originally charged to object class 11	1,146,408	2,115,100	671,300
Total direct obligations	23,564,422	17,882,647	400,000
Reimbursable obligations:			
01 Personal services	29,866		
02 Travel	3,622		
03 Transportation of things	3,620		
04 Communication services	900		
05 Rents and utility services	910		
07 Other contractual services	33,486		
08 Supplies and materials	13,575		
09 Equipment	4,525		
Total reimbursable obligations	90,504		
Total obligations	23,654,926	17,882,647	400,000

Federal-Aid Highways

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward:			
Appropriation	−$3,192		
Contract authorization	−1,939,232,798		
Unobligated balance rescinded (70 Stat. 656)	3,192		
Reauthorization of contract authorization	−3,192		
Unobligated balance transferred to "Federal-aid highways (trust fund)" (contract authorization)	1,939,235,990		
Contract authorization			

Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year	$3,100,084,309		
Reauthorization of contract authorization (appropriation balance written off)	129,529		
Unfunded balance transferred to "Federal-aid highways (trust fund)"	−3,100,213,838		
Appropriation to liquidate contract authorization			

Forest Highways (Liquidation of Contract Authorization)

Appropriated 1958, [a] **$25,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$25,825,026	$29,575,000	
Unobligated balance brought forward:			
Appropriation	−10,306		
Contract authorization	−22,069,192	−27,996,634	−$29,996,634
Unobligated balance of prior contract authorization transferred to "Forest highways (trust fund)"			[1] 29,996,634
Advances and reimbursements from—			
Other accounts	−1,669,021	−1,500,000	
Non-Federal sources	−73,141	−75,000	
Unobligated balance carried forward (contract authorization)	27,996,634	29,996,634	
Contract authorization (new)	30,000,000	30,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$39,250,000	$46,250,000	$51,250,000
Contract authorization (new)	30,000,000	30,000,000	
Restoration of contract authorization (appropriation balance written off)			1,000,000
Unfunded balance transferred to "Forest highways (trust fund)"			−52,250,000
Unfunded balance at end of year	−46,250,000	−51,250,000	
Appropriation to liquidate contract authorization	23,000,000	25,000,000	

[a] Appropriated in Department of Commerce and Related Agencies Appropriation Act, 1958.

[1] An obligated balance of $22,253,366 is also being transferred and for summarization this amount is tabulated as a recovery of prior year obligations. The total, $52,250,000, is written off as an unobligated balance no longer available in the general fund.

Public Lands Highways (Liquidation of Contract Authorization)

Appropriated 1958, [a] **$3,033,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$3,753,030	$3,530,323	
Unobligated balance brought forward (contract authorization)	−3,323,353	−1,570,323	−$40,000
Unobligated balance of prior contract authorization transferred to "Public lands highways (trust fund)"			[1] 40,000
Unobligated balance carried forward (contract authorization)	1,570,323	40,000	
Contract authorization (new)	2,000,000	2,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$3,625,000	$3,725,000	$2,692,000
Contract authorization (new)	2,000,000	2,000,000	
Unfunded balance transferred to "Public lands highways (trust fund)"			−2,692,000
Unfunded balance at end of year	−3,725,000	−2,692,000	
Appropriation to liquidate contract authorization	1,900,000	3,033,000	

[a] Includes $1,500,000 in Department of Commerce and Related Agencies Appropriation Act, 1958, and $1,533,000 appropriated in Supplemental Appropriation Act, 1958.

[1] An obligated balance of $2,652,000 is also being transferred and for summarization this amount is tabulated as a recovery of prior year obligations. The total, $2,692,000 written off as an unobligated balance no longer available in the general fund.

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

BUREAU OF PUBLIC ROADS MISCELLANEOUS ACCOUNTS

NOTE.—The following schedule includes unobligated balance for "Testing and research laboratory."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. "Woodrow Wilson Memorial Bridge"	$561,254	$13,906,099	$160,000
2. "Reimbursement to the highway fund, District of Columbia"		200,000	
3. "Construction of roads, Alaska"	6,327,199	754,421	380,000
4. "Operation and maintenance of roads, Alaska"	3,625,000		
5. "Access roads (act of Sept. 7, 1950)"	122,235	918,234	200,000
Total direct obligations	10,635,688	15,778,754	740,000
Reimbursable obligations: Construction, operation, and maintenance of roads, Alaska	3,421,996		
Total obligations	14,057,684	15,778,754	740,000
Financing:			
Unobligated balance brought forward	−4,626,537	−17,073,754	−995,000
Unobligated balance transferred to "Plant acquisition and construction," Atomic Energy Commission		300,000	
Advances and reimbursements from—			
Other accounts	−2,451,139		
Non-Federal sources	−970,857		
Recovery of prior year obligations	−13,543		
Unobligated balance carried forward	17,073,754	995,000	255,000
Unobligated balance no longer available	45,696		
New obligational authority	23,115,058		
New obligational authority:			
Appropriation:			
Woodrow Wilson memorial bridge	$14,325,000		
Reimbursement to the highway fund, District of Columbia	200,000		
Construction, operation, and maintenance of roads, Alaska	11,425,000		
Total appropriations	25,950,000		
Applied to contract authorization	−2,834,942		

1. *Woodrow Wilson Memorial Bridge.*—During 1958 the design for the construction of a bridge over the Potomac River near Jones Point, Va., will be completed and late in the fiscal year construction will be initiated. It is anticipated that construction may be completed in the latter part of 1961.

3 and 4. *Construction, operation, and maintenance of roads, Alaska.*—Construction, operation, and maintenance of highways in Alaska are now financed from Federal-aid highway funds under the Federal-Aid Highway Act of 1956. The remaining unobligated amounts, available for construction, are being used to complete the program previously under the jurisdiction of the Department of Interior, Office of Territories (Alaska Road Commission).

5. *Access roads (act of Sept. 7, 1950).*—Access roads to defense establishments and sources of raw materials are constructed and maintained on certification of defense essentiality by designated Federal agencies. These funds will be exhausted during 1959 on maintenance of the Pentagon network and Shirley Highway in Arlington County, Va.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	615	39	75
Full-time equivalent of all other positions	142	4	4
Average number of all employees	724	34	79
Number of employees at end of year	897	49	85
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Personal service obligations:			
Permanent positions	$3,773,773	$148,410	$401,180
Positions other than permanent	929,690	25,000	25,000
Other personal services	849,986	12,290	10,320
Total personal service obligations	5,553,449	185,700	436,500
Direct obligations:			
01 Personal services	4,497,501	185,700	436,500
02 Travel	145,854	3,200	6,000
03 Transportation of things	211,617	7,500	14,500
04 Communication services	8,813	200	3,400
05 Rents and utility services	42,384	1,100	4,300
06 Printing and reproduction	1,676		4,000
07 Other contractual services	733,553	217,800	227,000
08 Supplies and materials	1,893,887	95,000	174,000
09 Equipment	516,561	22,000	15,000
10 Lands and structures	2,747,624	15,036,954	
11 Grants, subsidies, and contributions		208,300	25,000
13 Refunds, awards, and indemnities	7,711		
15 Taxes and assessments	33,468	1,000	1,000
Subtotal	10,840,649	15,778,754	910,700
Deduct—			
Quarters and subsistence charges	204,961		
Portion of foregoing obligations originally charged to object class 10			170,700
Total direct obligations	10,635,688	15,778,754	740,000
Reimbursable obligations:			
01 Personal services	1,055,948		
02 Travel	34,758		
03 Transportation of things	50,560		
04 Communication services	2,105		
05 Rents and utility services	9,870		
06 Printing and reproduction	385		
07 Other contractual services	31,760		
08 Supplies and materials	450,986		
09 Equipment	123,427		
10 Lands and structures	1,701,329		
13 Refunds, awards, and indemnities	1,844		
15 Taxes and assessments	7,997		
Subtotal	3,470,969		
Deduct quarters and subsistence charges	48,973		
Total reimbursable obligations	3,421,996		
Total obligations	14,057,684	15,778,754	740,000

REDUCTIONS IN APPROPRIATIONS

FOREST HIGHWAYS

The unexpended balances as of June 30, 1958, of appropriations granted under this head for fiscal year 1958, and prior fiscal years, are rescinded and shall revert to the general fund.

PUBLIC LANDS HIGHWAYS

The unexpended balances as of June 30, 1958, of appropriations granted under this head for fiscal year 1958, and prior fiscal years, are rescinded and shall revert to the general fund.

GENERAL PROVISIONS—BUREAU OF PUBLIC ROADS

[General provisions—Bureau of Public Roads:] None of the money appropriated for the work of the Bureau of Public Roads during the current fiscal year shall be paid to any State on account of any project on which convict labor shall be employed, but this provision shall not apply to labor performed by convicts on parole or probation.

During the current fiscal year authorized engineering or other services in connection with the survey, construction, and maintenance, or improvement of roads may be performed for other Government agencies, cooperating foreign countries, and State cooperating agencies, and reimbursement for such services (which may include depreciation on engineering and road-building equipment used) shall be credited to the appropriation concerned.

During the current fiscal year appropriations for the work of the Bureau of Public Roads shall be available for expenses of warehouse maintenance and the procurement, care, and handling of supplies, materials, and equipment for distribution to projects under the supervision of the Bureau of Public Roads, or for sale or distribution to other Government activities, cooperating foreign countries, and State cooperating agencies, and the cost of such supplies and materials or

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the value of such equipment (including the cost of transportation and handling) may be reimbursed to current applicable appropriations.

Appropriations to the Bureau of Public Roads may be used in emergency for medical supplies and services and other assistance necessary for the immediate relief of employees engaged on hazardous work under that Bureau, and for temporary services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at rates for individuals not in excess of $100 per diem: *Provided*, That not to exceed $10,000 may be expended for services of individuals employed at rates in excess of $50 per diem. *(23 U. S. C. 1–117; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Mutual security," funds appropriated to the President.
"Construction," Central Intelligence Agency.
"Plant acquisition and construction," Atomic Energy Commission.
"Roads and trails for States, national forests fund," Forest Service, Department of Agriculture.
"Forest roads and trails," Forest Service, Department of Agriculture.
"Salaries and expenses," Agricultural Research Service, Department of Agriculture.
"Access roads, Department of Defense."
"Military construction, Air Force."
"Military construction, Army."
"Maintenance and operation", Department of the Army.
"Military construction, Navy."
"Construction (liquidation of contract authorization)," National Park Service, Department of the Interior.
"Road construction and maintenance," Bureau of Indian Affairs, Department of the Interior.
"Construction," Bureau of Land Management, Department of the Interior.
"Management of lands and resources," Bureau of Land Management, Department of the Interior.
"Construction and rehabilitation," Bureau of Reclamation, Department of the Interior.
"Rama road, Nicaragua," Department of State.
"Buildings management fund," General Services Administration.

Trust funds:

Highway Trust Fund

Amounts Available for Transfer

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts available:			
Balances brought forward:			
Cash	----------	$111,891,489	$150,198,223
U. S. securities (par)	----------	404,444,000	634,444,000
Receipts:			
Excise taxes (transfer from general fund receipts)	$1,478,925,050	2,120,000,000	2,210,000,000
Interest on investments	3,094,003	18,000,000	16,000,000
Total available	1,482,019,053	2,654,335,489	3,010,642,223
Transfers and balances:			
Transfers to—			
Refunds and labor standards	176,830	95,200,000	110,200,000
"Federal-aid highways (trust fund)"	965,506,734	1,774,493,266	2,350,000,000
"Forest highways (trust fund)"	----------	----------	30,000,000
"Public lands highways (trust fund)"	----------	----------	2,692,000
Balance carried forward:			
Cash	111,891,489	150,198,223	158,306,223
U. S. securities (par)	404,444,000	634,444,000	359,444,000
Total transfers and balances	1,482,019,053	2,654,335,489	3,010,642,223

The Highway Revenue Act of 1956 (70 Stat. 374), provides for the transfer from the general fund to this fund of a sum equal to certain percentages of taxes received on gasoline, diesel fuel, trucks, buses, tires, etc. The Secretary of the Treasury estimates the amounts to be so transferred.

In turn, transfers are authorized annually from this trust fund to "Federal-aid highways (trust fund)" and to "Refunds and labor standards" (see following account). Amounts in the fund not currently required are invested in U. S. securities, and interest thereon is added to the fund.

The budget proposes to transfer the financing of the Department of Commerce's forest and public lands highways programs from the general fund to the "Highway trust fund." Accordingly, the above schedules reflect transfers from the trust fund for these two programs in 1959.

The status of the fund is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Investments in U. S. securities at beginning of year (par)	----------	$404,444,000	$634,444,000
Cash:			
"Highway trust fund"	----------	27,398,223	150,198,223
"Federal-aid highways (trust fund)"	----------	84,493,266	----------
Balance of fund at beginning of year	----------	516,335,489	784,642,223
Cash income during year:			
From excise taxes	$1,478,925,050	2,120,000,000	2,210,000,000
Interest on investments	3,094,003	18,000,000	16,000,000
Total annual income	1,482,019,053	2,138,000,000	2,226,000,000
Cash outgo during year:			
Refund of taxes	16,830	95,000,000	110,000,000
Labor standards	160,000	200,000	200,000
"Federal-aid highways (trust fund)"	965,506,734	1,774,493,266	2,350,000,000
"Forest highways (trust fund)"	----------	----------	30,000,000
"Public lands highways (trust fund)"	----------	----------	2,692,000
Total annual outgo	965,683,564	1,869,693,266	2,492,892,000
Investments in U. S. securities at end of year (par)	404,444,000	634,444,000	359,444,000
Cash:			
"Highway trust fund"	27,398,223	150,198,223	158,306,223
"Federal-aid highways (trust fund)"	84,493,266	----------	----------
Balance of fund at end of year	516,335,489	784,642,223	517,750,223

Refunds and Labor Standards

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Refund of taxes	$16,830	$95,000,000	$110,000,000
2. Labor standards	160,000	200,000	200,000
Total obligations	176,830	95,200,000	110,200,000
Financing:			
Transfer from "Highway trust fund"	176,830	95,200,000	110,200,000

There is transferred (*a*) an indefinite amount for payment into the general fund to cover refund of certain taxes, primarily for gasoline used for farming, and (*b*) a specific sum annually for services rendered by the Department of Labor for administration and coordination of enforcement of labor standards pertaining to the Federal-aid highway program.

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services: Services performed by other agencies	$160,000	$200,000	$200,000
13	Refunds, awards, and indemnities	16,830	95,000,000	110,000,000
	Total obligations	176,830	95,200,000	110,200,000

Proposed for later transmission:

Federal-Aid Highways (Trust Fund), Forest Highways (Trust Fund), and Public Lands Highways (Trust Fund)

Under proposed legislation, 1959.—It is expected that the 1958 biennial Federal-aid highway legislation will provide additional contract authorizations for both 1960 and 1961 for the (*a*) primary and secondary Federal-aid

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BUREAU OF PUBLIC ROADS—Continued

Proposed for later transmission—Continued

FEDERAL-AID HIGHWAYS (TRUST FUND), FOREST HIGHWAYS (TRUST FUND), AND PUBLIC LANDS HIGHWAYS (TRUST FUND)—Continued

systems and urban extensions thereof, (*b*) forest highways, and (*c*) public lands highways, and that the 1960 authorizations will become available for obligation during 1959. Amounts of $900 million, $30 million, and $2 million respectively are anticipated.

INTER-AMERICAN HIGHWAY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)			$9,450,000
Financing:			
Unobligated balance carried forward			550,000
Proposed supplemental appropriation			10,000,000

Under proposed legislation, 1959.—It is anticipated that authorization of an additional $10 million will be provided to complete construction of the Inter-American Highway as an all-weather road.

HIGHWAY TRUST FUND

	1957 actual	*1958 estimate*	*1959 estimate*
Reduction in trust fund receipts: Excise taxes (transfer from general fund receipts)			$46,000,000
Reduction in balances carried forward: Cash			46,000,000

Under proposed legislation, 1959.—Revenues from the 3-cent excise tax on aviation gasoline now go into the "Highway trust fund"; and subsequently, 1 cent of the 3-cent tax is refunded to the taxpayer. Legislation is proposed elsewhere in the budget to initiate an airways user charge program. Under this proposal, the revenues from the aviation gasoline tax would be retained in the general fund. If this proposal is enacted, $46 million of aviation gas tax revenues would not be transferred to the trust fund in 1959.

NATIONAL BUREAU OF STANDARDS

The National Bureau of Standards is the agency of the Federal Government responsible for the national standards of physical measurement. Against these standards, all the working standards of the Nation—those used by scientists and engineers in research and development, those used by industry in the measurement and production of interchangeable parts, and those used by other Government and State agencies to ascertain conformity—are calibrated. Closely associated with the standards activity, the Bureau serves science, industry, and Government as a national laboratory conducting research and development on methods of measurement and instrumentation; determining fundamental physical constants and basic properties of materials; developing improved methods for testing materials and equipment; developing codes and specifications; and assisting other Government agencies through advisory services on technical problems and by invention and development of devices to meet special needs.

Current authorizations:

EXPENSES

[Expenses:] For expenses necessary in performing the functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271–278c), including general administration; operation, maintenance, alteration, and protection of grounds and facilities; and improvement and construction of temporary or special facilities as authorized by section 2 of the Act of July 21, 1950 (15 U. S. C. 286); [$9,428,250] *$11,500,000*: *Provided*, That during the current fiscal year the maximum base rate of compensation for employees appointed pursuant to the Act of July 21, 1950 (15 U. S. C. 285), shall be equivalent to the entrance rate of GS–12. (*15 U. S. C. 271–278c, 285, 286; 40 U. S. C. 14a; 5 U. S. C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$9,428,250** Estimate 1959, **$11,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research:			
(*a*) Basic	$3,312,992	$3,784,200	$5,082,900
(*b*) Applied	1,331,898	1,586,000	1,801,800
2. Development	1,814,683	2,101,500	2,620,900
3. Testing, calibration, and specifications	340,221	216,850	220,400
4. General technical services	1,587,203	1,739,700	1,774,000
Total obligations	8,386,997	9,428,250	11,500,000
Financing:			
Unobligated balance no longer available	306,303		
New obligational authority	8,693,300	9,428,250	11,500,000
New obligational authority:			
Appropriation	$8,750,000	$9,428,250	$11,500,000
Transferred to—			
"Salaries and expenses," general administration (64 Stat. 1263)	−15,700		
"Salaries and expenses," Coast and Geodetic Survey (71 Stat. 177)	−41,000		
Appropriation (adjusted)	8,693,300	9,428,250	11,500,000

The 1959 budget proposes an increase of $2,071,750 to strengthen the basic scientific programs of the Bureau, to provide for greater emphasis on basic research and on the development of authoritative standards of greater range and precision necessitated by the increasing technological nature of the Nation's industrial and defense programs, to provide for improved technical balance in the Bureau's scientific activities, and to approach a level of research and development activity consistent with the assigned responsibilities of the Bureau. The Bureau programs are classified under four activities:

1. *Research.*—This activity includes investigations of fundamental physical phenomena and determinations of physical constants and properties of materials which are of great importance to science and industry. Fundamental scientific knowledge is applied to achieve more effective use of new scientific and technological processes, materials, and equipment.

2. *Development.*—This activity includes the development of new and improved standards of measurement, instruments, instrumentation techniques, methods of measurement and analysis, and commodity testing techniques. Materials, devices, and technological processes in fields of importance to national welfare are also developed.

3. *Testing, calibration, and specifications.*—This activity includes the comparison of working standards used in scientific investigations for engineering, manufacturing, communication, commercial, and educational institutions with the national primary standards. It also includes the preparation of standard samples of accurately known composition or characteristics and the formulation of

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specifications and standards for commodities and equipment.

4. *General technical services.*—This activity includes the provision of advisory and consultative services to other Government agencies, the operation of special technical installations, and the compilation and dissemination of scientific and technical data, such as data on propagation of radio waves which are analyzed for the prediction of radio propagation conditions.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$8,386,997	$9,428,250	$11,500,000

Plant and Equipment

[Plant and equipment:] For construction of a pilot electronic data-processing device to be used in the performance of functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271–278c); [repair of mechanical facilities; design and acquisition of railway scale test equipment;] *and* expenses incurred, as authorized by section 2 of the Act of July 21, 1950 (15 U. S. C. 286), in the construction or improvement of buildings, grounds, and other facilities, [and, without regard to the cost limitation contained in that Act; installation of fire protection systems in field laboratories; and purchase of three passenger motor vehicles for replacement only; $450,000] *$600,000*, to remain available until expended. (*15 U. S. C. 271–278c, 285, 286; 40 U. S. C. 14a; 5 U. S. C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$450,000** Estimate 1959, **$600,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Facilities	$159,557	$156,729	$100,000
2. Special equipment	89,949	421,318	500,000
3. Construction	762,142	140,112	
Total obligations	1,011,648	718,159	600,000
Financing:			
Unobligated balance brought forward	−829,807	−268,159	
Unobligated balance carried forward	268,159		
Appropriation (new obligational authority)	450,000	450,000	600,000

The National Bureau of Standards' laboratories and administrative offices occupy 86 buildings located on a 69-acre tract in Washington, D. C. The Bureau also has a laboratory on a 217-acre site at Boulder, Colo., and several small field sites, some of which are outside the continental limits.

1. *Facilities.*—This activity includes alterations and other improvements to the Bureau's facilities.

2. *Special equipment.*—This activity includes the procurement of large and unusual items of equipment which are not appropriate for purchase by the working capital fund. Funds are included for continuing construction of a pilot electronic data-processing device begun in 1956.

3. *Construction.*—An addition to the Boulder laboratory and a fire protection system for field stations are being completed with previously appropriated funds. No new projects are budgeted for 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
NATIONAL BUREAU OF STANDARDS			
07 Other contractual services	$288,539	$666,268	$600,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	1	1	
Average number of all employees	1	1	
Number of employees at end of year	2	0	
Average GS grade and salary	7.7 $5,601	7.7 $5,624	
01 Personal services:			
Permanent positions	$6,585	$6,475	
Other personal services	523	125	
Total personal services	7,108	6,600	
02 Travel	400	500	
04 Communication services	40	100	
06 Printing and reproduction	61	100	
07 Other contractual services	43,628	500	
10 Lands and structures	671,872	43,691	
11 Grants, subsidies, and contributions		400	
Total, allocation accounts	723,109	51,891	
Total obligations	1,011,648	718,159	$600,000
Obligations are distributed as follows:			
National Bureau of Standards	$288,539	$666,268	$600,000
General Services Administration	715,500	9,500	
Department of the Army	7,609	42,391	

Construction of Facilities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design and engineering	$102,834	$77,166	
2. Site acquisition	490,526	259,474	
Total obligations	593,360	336,640	
Financing:			
Unobligated balance brought forward		−336,640	
Unobligated balance carried forward	336,640		
Appropriation (new obligational authority)	930,000		

Land acquisition for future construction of new facilities for the National Bureau of Standards at a site near Gaithersburg, Md., is expected to be completed in 1958. No funds are budgeted in 1959 for the project.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
02 Travel	$1,194	$1,000	
06 Printing and reproduction	106	29,000	
07 Other contractual services	101,534	47,166	
10 Lands and structures	490,526	259,474	
Total obligations	593,360	336,640	

National Bureau of Standards Miscellaneous Accounts

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Purchase and installation of betatron"	$589		
2. "Construction of laboratories"	18,079		
Total obligations	18,668		
Financing:			
Unobligated balance brought forward	−67,604	−$48,121	
Unobligated balance carried forward	48,121		
Unobligated balance no longer available	815	48,121	
Appropriation (new obligational authority)			

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NATIONAL BUREAU OF STANDARDS—Continued

Current authorizations—Continued

NATIONAL BUREAU OF STANDARDS MISCELLANEOUS ACCOUNTS—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
NATIONAL BUREAU OF STANDARDS			
07 Other contractual services	$18,639		
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
10 Lands and structures	29		
Total obligations	18,668		

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Operating expenses," Atomic Energy Commission.
"Establishment of Air-Navigation facilities," Civil Aeronautics Administration.
"Federal-aid highways (trust fund)," Bureau of Public Roads.
"Aircraft and missile procurement," Department of the Air Force.
"Air Force management fund."
"Operation and maintenance," Department of the Air Force.
"Aircraft and missile support," Department of the Air Force.
"Military construction, Air Force."
"Research and development," Department of the Air Force.
"Army industrial fund."
"Military construction, Army."
"Procurement of equipment and missiles, Army."
"Research and development," Department of the Army.
"Aircraft and related procurement," Department of the Navy.
"Military construction, Navy."
"Ordnance for new construction," Department of the Navy.
"Procurement of ordnance and ammunition," Department of the Navy.
"Research and development," Department of the Navy.
"Shipbuilding and conversion," Department of the Navy.
"Surveys, plans, and research," Federal Civil Defense Administration.
"General supply fund," General Services Administration.
"Franklin D. Roosevelt Library fund," General Services Administration.
"Repair and improvement, federally owned buildings," General Services Administration.
"Defense production guaranties, defense materials procurement activities," General Services Administration.
"Grants for hospital construction," Public Health Service, Department of Health, Education, and Welfare.
"Construction and rehabilitation," Bureau of Reclamation, Department of the Interior.
"Contributed funds," Bureau of Mines, Department of the Interior.
"International Geophysical Year," National Science Foundation.
"Acquisition and construction of radio facilities," United States Information Agency.
"Supply fund," Veterans Administration.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs	$25,410,160	$28,236,400	$29,237,400
Other costs including above not requiring financing	−11,113		
Depreciation included above (−)	−2,487,535	−3,385,380	−3,130,380
Total operating costs, funded	22,911,512	24,851,020	26,107,020
Capital outlay:			
Acquisitions:			
Facilities	1,704,597	250,000	410,000
Equipment	3,156,400	4,750,000	4,150,000
Total acquisitions	4,860,997	5,000,000	4,560,000
Property or services transferred in (−) without charge, net	−1,653,562	−250,000	−410,000
Capital outlay, funded	3,207,435	4,750,000	4,150,000
Total program costs, funded	26,118,947	29,601,020	30,257,020
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−445,162	−394,000
Obligations incurred for costs of other years, net	2,040,610		
Total program (obligations)	28,159,557	29,155,858	29,863,020

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Revenues and receipts:			
Customers orders received	$26,593,969	$26,608,418	$28,737,400
Proceeds from sale of equipment	10,728	10,000	10,000
Other receipts	20,204		
Adjustment of prior year revenue	74,405		
Total amounts becoming available	26,699,306	26,618,418	28,747,400
Unobligated balance brought forward	9,645,106	8,047,631	5,386,375
Total amounts available	36,344,412	34,666,049	34,133,775
Capital transfer (payment of earnings to Treasury) (−)	−137,224	−123,816	
Unobligated balance carried forward	−8,047,631	−5,386,375	−4,270,755
Financing applied to program	28,159,557	29,155,858	29,863,020

This fund finances, on a reimbursable basis, all operations of the National Bureau of Standards, including the furnishing of services to other Government agencies (64 Stat. 279). The principal of the fund, as of June 30, 1957, consisted of $5 million in appropriations and $35 million in net donated assets.

Budget program.—The programs of the fund include research, development, testing, and general technical services for other Government agencies and the public. Also included is the acquisition of facilities and special equipment.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories	$1,683,413	$1,829,582	$1,970,252	$2,132,252
Advances	30,357	39,157	35,000	35,000
Unpaid undelivered orders	2,496,034	4,381,675	3,800,000	3,244,000
Total selected resources at end of year	4,209,804	6,250,414	5,805,252	5,411,252
Selected resources at start of year (−)		−4,209,804	−6,250,414	−5,805,252
Costs financed from obligations of other years, net (−)			−445,162	−394,000
Obligations incurred for costs of other years, net		2,040,610		

Operating results.—Retained earnings accumulated through June 30, 1957, have been transferred to the Treasury.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$3,156,400	$4,750,000	$4,150,000
Acquisition of facilities	51,035		
Expense:			
Purchase of commodities for manufacture or sale	2,651,935	2,850,670	2,992,000
Other expense	20,379,432	22,141,020	23,277,020
Increase in selected working capital	1,180,247		796,538
Total gross expenditures	27,419,049	29,741,690	31,215,558
Receipts from operations (funds provided):			
Sales program: Revenue	25,468,024	28,236,400	29,237,400
Undistributed receipts:			
Proceeds from sale of equipment	10,728	10,000	10,000
Other receipts	20,204		
Adjustment of prior year revenue	74,405		
Decrease in selected working capital		5,553,379	
Total receipts from operations	25,573,361	33,799,779	29,247,400
Budget expenditures	1,845,688	−4,058,089	1,968,158

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue:			
Bureau appropriations	$8,547,324	$9,962,451	$12,010,000
Other	16,920,700	18,273,949	17,227,400
Total revenue	25,468,024	28,236,400	29,237,400
Expense	25,399,047	28,236,400	29,237,400
Net operating income	68,977		

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Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Nonoperating income or loss (−):			
Proceeds from sale of equipment	$10,728	$10,000	$10,000
Net book value of assets sold (−)	−8,935	−10,000	−10,000
Net gain from sale of equipment	1,793		
Other net income	53,046		
Net nonoperating income	54,839		
Net income for the year	123,816		
Analysis of retained earnings:			
Retained earnings, beginning of year	62,819	123,816	
Adjustment of prior year income	74,405		
Payment of earnings to Treasury (−)	−137,224	−123,816	
Retained earnings, end of year	123,816		

Financial Condition

Assets:			
Cash with Treasury	$3,923,862	$7,858,135	$5,889,977
Accounts receivable, net	4,856,697	5,235,332	5,278,272
Advances	39,157	35,000	35,000
Commodities for sale	1,032,882	1,222,882	1,392,882
Supplies and materials	796,700	747,370	739,370
Land, structures, and equipment, net	33,443,474	35,048,094	36,467,714
Precious stones	355,231	355,231	355,231
Investments	2,300	2,300	2,300
Total assets	44,450,303	50,504,344	50,160,746
Liabilities:			
Current	4,279,235	10,207,092	9,453,494
Government investment:			
Non-interest-bearing capital:			
Start of year	38,404,428	40,047,252	40,297,252
Donated assets, net, during year	1,642,824	250,000	410,000
End of year	40,047,252	40,297,252	40,707,252
Retained earnings	123,816		
Total Government investment	40,171,068	40,297,252	40,707,252

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$5,906,774	$3,923,862	$7,858,135	$5,889,977
Obligated balance, net:				
Current liabilities	3,670,826	4,279,235	10,207,092	9,453,494
Unpaid undelivered orders	2,496,034	4,381,675	3,800,000	3,244,000
Accounts receivable, net, and cash in transit (−)	−3,076,841	−4,856,697	−5,235,332	−5,278,272
Unfilled customers' orders (−)	−6,828,351	−7,927,982	−6,300,000	−5,800,000
Total obligated balance	−3,738,332	−4,123,769	2,471,760	1,619,222
Unobligated balance	9,645,106	8,047,631	5,386,375	4,270,755

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3,894	3,572	3,600
Full-time equivalent of all other positions	144	147	150
Average number of all employees	2,898	3,004	3,031
Number of employees at end of year	3,287	3,320	3,350
Average GS grade and salary	7.9 $5,818	7.9 $5,855	7.9 $5,890
Average salary of ungraded positions	$4,339	$4,339	$4,339
01 Personal services:			
Permanent positions	$15,891,996	$16,533,000	$16,798,000
Positions other than permanent	691,721	710,000	725,000
Other personal services	446,369	526,000	527,000
Excess of leave taken over leave accrued	−73,926		
Total personal services	16,956,160	17,769,000	18,050,000
02 Travel	575,028	591,520	611,520
03 Transportation of things	132,443	157,000	171,000
04 Communication services	210,921	220,000	230,000
05 Rents and utility services	606,328	930,000	950,000
06 Printing and reproduction	130,857	138,000	148,000
07 Other contractual services	1,620,412	1,600,000	1,650,000
Services performed by other agencies	84,820	80,000	100,000
08 Supplies and materials	2,349,234	2,310,000	2,430,000
09 Equipment:			
Capitalized	2,475,538	3,712,000	3,708,000
Noncapitalized	750,531	800,000	820,000
10 Lands and structures	195,500	210,000	290,000
11 Grants, subsidies, and contributions	2,007	1,070,000	1,085,000
13 Refunds, awards, and indemnities	15,707		
15 Taxes and assessments	15,944	16,000	16,000
Subtotal	26,121,430	29,603,520	30,259,520
Deduct quarters and subsistence charges	$2,483	$2,500	$2,500
Total program costs	26,118,947	29,601,020	30,257,020
Costs financed from obligations of other years, net (−)		−445,162	−394,000
Obligations incurred for costs of other years, net	2,040,610		
Total obligations	28,159,557	29,155,858	29,863,020

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Scientific services for—			
Atomic Energy Commission	$727,013		
Department of Commerce	176,822	$17,220	
Department of Defense:			
Army	16,566		
Navy	11,896		
Department of Health, Education, and Welfare	1,931		
Department of the Interior	43,758		
General Services Administration	3,304	22	
Library of Congress	5,300		
National Advisory Committee for Aeronautics	160,441		
Veterans Administration	18,000		
Total obligations	1,164,941	17,242	
Financing:			
Unobligated balance brought forward	20,741	17,242	
Advances and reimbursements from other accounts	1,172,810		
Unobligated balance carried forward	−17,242		
Unobligated balance no longer available	−11,368		
Total financing	1,164,941	17,242	

Object Classification

07 Other contractual services	$1,164,941	$17,242	

WEATHER BUREAU

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary for the Weather Bureau, including maintenance and operation of aircraft; [purchase of two passenger motor vehicles for replacement only;] not to exceed $25,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and not to exceed $10,000 for maintenance of a printing office in the city of Washington, as authorized by law; [$37,880,100] *$40,000,000*: *Provided*, That during the current fiscal year, the maximum amount authorized under section 3 (a) of the Act of June 2, 1948 (15 U. S. C. 327), for extra compensation to employees of other Government agencies for taking and transmitting meteorological observations, shall be $5 per day; and the maximum base rate of pay authorized under section 3 (b) of said Act, for employees conducting meteorological investigations in the Arctic region, shall be $6,500 per annum, except that not more than five of such employees at any one time may receive a base rate of $9,000 per annum, and such employees may be appointed without regard to the Classification Act of 1949, as amended. (*15 U. S. C. 311–313, 325–328; 49 U. S. C. 401, 603; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958,[a] **$37,980,100** Estimate 1959, **$40,000,000**

[a] Includes $100,000 appropriated in Supplemental Appropriation Act, 1958.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General weather services	$31,375,201	$33,488,300	$35,428,100
2. Research	2,301,980	2,604,500	2,650,100
3. Administration	1,638,472	1,887,300	1,921,800
Total obligations	35,315,653	37,980,100	40,000,000

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WEATHER BUREAU—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$84,347		
Appropriation (new obligational authority)	35,400,000	$37,980,100	$40,000,000

The Weather Bureau observes, records, reports, forecasts, and distributes information on weather conditions and river stages for the benefit of U. S. commerce, industry, agriculture, and the general public.

1. *General weather services.*—Regular forecasts are issued for U. S. territory and waters with special emphasis on floods and severe storms. Special forecasts and advisory services are provided for international and domestic aviation; fire-weather forecasts are furnished to assist in conservation of timber resources; and fruit-frost forecasts and warnings are prepared for areas where such crops form a major economic interest. Surface and upper-air observations are taken at several hundred locations to serve forecasting requirements. Several thousand voluntary and part-time observers record river stage, temperature, and precipitation readings for use in flood-control and water-use activities. All observational records are combined to form the climatic history of the United States and possessions. The estimate provides (1) for operation of new weather surveillance radar and other instrumentation previously authorized for improving the public weather forecasts and warnings, and (2) for staff and facilities needed to improve the weather services for aviation.

2. *Research.*—Research is directed primarily toward the development of new operational and forecasting techniques directly applicable to major service programs, but also includes some supplemental studies of basic meteorology and meteorological physics. Intensive investigations of hurricanes and tornadoes will be continued.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	4,404	4,356	4,437
	Full-time equivalent of all other positions	101	100	111
	Average number of all employees	4,372	4,338	4,419
	Number of employees at end of year	6,583	6,550	6,657
	Average GS grade and salary	7.4 $5,377	7.5 $5,464	7.8 $5,623
01	Personal services:			
	Permanent positions	$23,313,048	$23,637,900	$24,796,000
	Positions other than permanent	370,783	365,000	407,700
	Other personal services	2,087,991	2,172,100	2,202,700
	Total personal services	25,771,822	26,175,000	27,406,400
02	Travel	558,290	591,200	667,000
03	Transportation of things	751,199	791,300	822,400
04	Communication services	2,186,689	2,229,200	2,258,500
05	Rents and utility services	809,682	1,081,600	1,248,300
06	Printing and reproduction	130,462	94,200	95,200
07	Other contractual services	1,137,920	1,112,700	1,196,100
	Services performed by other agencies	114,110	102,000	40,000
08	Supplies and materials	3,331,454	3,870,400	4,036,700
09	Equipment	534,390	505,500	671,900
10	Lands and structures	5,451		
11	Grants, subsidies, and contributions		1,446,000	1,576,500
13	Refunds, awards, and indemnities	18,431	16,000	16,000
15	Taxes and assessments	16,226	15,000	15,000
	Subtotal	35,366,126	38,030,100	40,050,000
	Deduct quarters and subsistence charges	$50,473	$50,000	$50,000
	Total obligations	35,315,653	37,980,100	40,000,000

ESTABLISHMENT OF METEOROLOGICAL FACILITIES

[Establishment of meteorological facilities:] For an additional amount for the acquisition, establishment, and relocation of meteorological facilities and related equipment, including the alteration and modernization of existing facilities; [$600,000] *$275,000*, to remain available until June 30, [1960] *1961*: *Provided*, That the appropriations heretofore granted under this head shall be merged with this appropriation. *(15 U. S. C. 311, 313, 313a, 317, 325, 328; 49 U. S. C. 603; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$600,000** Estimate 1959, **$275,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Upper-air observational equipment	$1,523,694	$110,150	$19,150
2. Weather surveillance radar	479,142	297,000	425,750
3. End-of-runway observational equipment	274,275	494,190	150,000
4. Other surface observational facilities	15,288	208,100	42,600
5. Construction of facilities in Territories	595,740	314,100	277,000
6. Hurricane and tornado research equipment	133,951		
7. Engineering and technical support	150,110	213,502	200,500
Total obligations	3,172,200	1,637,042	1,115,000
Financing:			
Unobligated balance brought forward	−2,703,980	−2,031,780	−994,738
Unobligated balance carried forward	2,031,780	994,738	154,738
Appropriation (new obligational authority)	2,500,000	600,000	275,000

The accuracy of observations, forecasts, and warnings is being improved with new observational instruments and by the modernization of existing facilities. The 1959 estimate provides for construction of facilities in Alaska.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	24	28	28
	Average number of all employees	18	27	21
	Number of employees at end of year	20	28	16
	Average GS grade and salary	7.4 $5,377	7.5 $5,464	7.8 $5,623
01	Personal services:			
	Permanent positions	$111,723	$161,000	$139,800
	Other personal services	3,768	15,852	15,200
	Total personal services	115,491	176,852	155,000
02	Travel	16,262	24,000	15,000
03	Transportation of things	19,126	48,740	42,100
04	Communication services	34	200	200
05	Rents and utility services	252		
06	Printing and reproduction	5		
07	Other contractual services	151,370	264,260	851,900
08	Supplies and materials	51,096	1,740	2,700
09	Equipment	2,047,139	737,000	39,000
10	Lands and structures	771,383	374,100	
11	Grants, subsidies, and contributions		10,150	9,100
15	Taxes and assessments	42		
	Total obligations	3,172,200	1,637,042	1,115,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Mutual security," Funds Appropriated to the President.
"Salaries and expenses, civil defense functions of Federal agencies," Federal Civil Defense Administration.
"Operations," Federal Civil Defense Administration.

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Observations and forecasts:			
Atomic Energy Commission	$282,547	$348,085	$350,000
Department of Defense	1,211,745	1,547,073	1,500,000
Department of the Interior	44,759	53,550	50,000
National Science Foundation	794,386	475,215	350,000
Other agencies	71,027	86,077	75,000
Total, observations and forecasts	2,404,464	2,510,000	2,325,000
2. Meteorological studies and statistics:			
Atomic Energy Commission	221,160	247,525	260,000
Department of Agriculture	84,315	101,198	100,000
Department of Defense	1,893,901	1,805,066	1,800,000
Department of Health, Education, and Welfare	146,132	215,000	200,000
Other agencies	65,363	91,211	50,000
Total, meteorological studies and statistics	2,410,871	2,460,000	2,410,000
3. Miscellaneous services to other Federal and non-Federal accounts:			
Department of Commerce	58,467	53,616	50,000
Department of Defense	33,402	22,441	25,000
General Services Administration		73,800	
International Cooperation Administration	69,517	262,333	250,000
National Science Foundation	85,839	66,724	50,000
Other agencies	32,247	49,086	25,000
Total, miscellaneous services, etc.	279,472	528,000	400,000
Total obligations	5,094,807	5,498,000	5,135,000
Financing:			
Unobligated balance brought forward	309,562	25,214	
Advances and reimbursements from—			
Other accounts	4,804,363	5,448,844	5,111,000
Non-Federal sources (40 U. S. C. 481 (c) and 49 U. S. C. 1154)	21,613	23,942	24,000
Unobligated balance no longer available	−15,517		
Unobligated balance carried forward	−25,214		
Total financing	5,094,807	5,498,000	5,135,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	697	697	697
Full-time equivalent of all other positions	22	24	25
Average number of all employees	583	645	590
Number of employees at end of year	2,153	2,311	2,260
Average GS grade and salary	7.4 $5,377	7.5 $5,464	7.8 $5,623
01 Personal services:			
Permanent positions	$2,670,500	$3,059,800	$2,824,200
Positions other than permanent	81,305	87,400	90,000
Other personal services	294,144	361,800	335,800
Total personal services	3,045,949	3,509,000	3,250,000
02 Travel	$199,328	$209,000	$200,000
03 Transportation of things	63,337	47,700	45,000
04 Communication services	41,554	55,500	53,000
05 Rents and utility services	500,638	660,000	590,000
06 Printing and reproduction	11,466	34,100	10,000
07 Other contractual services	152,300	85,100	85,000
08 Supplies and materials	765,178	405,200	398,400
09 Equipment	310,047	304,600	300,000
11 Grants, subsidies, and contributions		183,900	200,600
15 Taxes and assessments	5,010	3,900	3,000
Total obligations	5,094,807	5,498,000	5,135,000

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 102. During the current fiscal year applicable appropriations and funds available to the Department of Commerce shall be available for the activities specified in the Act of October 26, 1949 (5 U. S. C. 596a), to the extent and in the manner prescribed by said Act.

SEC. 103. Appropriations in this title available for salaries and expenses shall be available for expenses of attendance at meetings of organizations concerned with the activities for which the appropriations are made; hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but, unless otherwise specified, at rates for individuals not to exceed $50 per diem; and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131). (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

GENERAL PROVISIONS

SEC. 401. [(a)] No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

[(b) No part of any appropriation contained in this Act shall be used for payment of any expert or consultant, or of any management engineering corporation, company, firm, or other organization, for the performance of any service relating to the management or organization of the Department of Commerce or any bureau, administration, office, corporation, or other agency thereof, the Canal Zone Government, the Panama Canal Company, or any independent board, corporation, or commission, unless the utilization and payment of experts or consultants, or of management engineering corporations, companies, firms, or other organizations, is specifically authorized by law for the performance of such service.]

SEC. 402. No part of any appropriation contained in this Act shall be used to pay any expenses incident to or in connection with participation in the International Materials Conference. (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF COMMERCE

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
GENERAL ADMINISTRATION								
Salaries and expenses							$4,100	Secretary, under secretaries, assistant secretaries, general counsel, heads and assistant heads of bureaus and members of their staffs for transportation to and from official meetings in the Washington area.
BUREAU OF THE CENSUS								
Salaries and expenses							1,900	The Director, executive staff, division chiefs, and technical, professional, and administrative staff for transportation between the census office in Suitland, Md., and agencies in Washington, D. C.
CIVIL AERONAUTICS ADMINISTRATION								
Operation and regulation	40	$60,000	40	$6,000	$54,000	144	252,000	Regional and district office staff officials, maintenance inspectors and safety agents for transportation to remote facility locations, accident investigations, inspection of aircraft repair facilities, manufacturing plants, and airman schools. Four cars and 7 station wagons are operated out of Washington for use of technical personnel for inspections at manufacturing plants and Civil Aeronautics Administration field facilities.
Station wagon						32		Do.
Operation and maintenance, Washington National Airport.	1	1,500	1	150	1,350	2		Staff officials for transportation from the Washington National Airport to various Government buildings to attend official conferences and meetings and for airport police patrol duty.
Ambulance						1		Used for emergency purposes at Washington National Airport.
Operation and maintenance, public airports, Territory of Alaska.	2	3,000	2	300	2,700			Staff personnel for transportation from Anchorage and Fairbanks public airports to attend official meetings with other Government officials and for inspections of airport facilities.
Total, Civil Aeronautics Administration.	43	64,500	43	6,450	58,050	179	252,000	
CIVIL AERONAUTICS BOARD								
Salaries and expenses						1	7,200	For investigating aircraft accidents in the field and for official business in the Washington area.
COAST AND GEODETIC SURVEY								
Salaries and expenses							5,000	For use of district offices in inspecting field facilities, chart distributors, etc.
MARITIME ACTIVITIES								
Salaries and expenses						8	11,220	Coast directors, inspectors, marine and inventory surveyors working at ship piers in coastal area; fleet superintendents and operating and security personnel at national defense reserve fleet sites; and superintendent, security and operating personnel at reserve shipyards and warehouses; for transportation to official meetings, inspections, and surveys.
Ambulance						1		Emergency transportation in event of injury to personnel at Vancouver shipyard.
Station wagon						3		Field personnel, primarily inspectors, marine and inventory surveyors, and operating personnel at 2 warehouses and 1 reserve shipyard; for transportation to inspections and surveys.
Maritime training						1		Superintendent, Merchant Marine Academy, Kings Point, N. Y., and other maritime service personnel at the Academy for transportation to and from port areas in connection with cadet training program.
Ambulance						1		For emergency transportation of cadets and staff personnel in case of accident or sickness.
Station wagon						3		For transportation of cadets and staff personnel.
Bus						2		Do.
Total, maritime activities						19	11,220	
PATENT OFFICE								
Salaries and expenses: Sedan-delivery.							1,000	Transportation of documents, supplies, etc., between buildings in which Patent Office is housed in Washington, D. C.
BUREAU OF PUBLIC ROADS								
Highway programs	50	75,000	50	10,000	65,000	171	196,000	Field engineers: For inspecting Federal-aid and other highway projects in 48 States, the District of Columbia, Puerto Rico, Alaska, and Central American Republics.
NATIONAL BUREAU OF STANDARDS								
Working capital fund							200	Field personnel: For the transportation of staff, mail, instruments, and classified material.
Station wagon						9	3,800	
Total, National Bureau of Standards.						9	4,000	
WEATHER BUREAU								
Salaries and expenses						1	8,998	Chief and assistant chiefs of Bureau and staff members: For transportation to and from official meetings and conferences in Washington, D. C.; regional administrative officers, area hydrologic engineers, forecasters, and field aids. Transportation to and from field stations for inspection and surveys.
Station wagon						3	1,050	Regional administrative officer and staff, forecasters and field aids: For transportation to and from field stations for inspections and surveys.
Total, Weather Bureau						4	10,048	
Total, Department of Commerce.	93	139,500	93	16,450	123,050	383	492,468	

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for fiscal year 1959

DEPARTMENT OF COMMERCE

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
CIVIL AERONAUTICS ADMINISTRATION								
Operation and regulation	2	$300,000			$300,000	103	$7,662,700	Specialized flight inspection, technical, and engineering personnel for flight test operations in connection with developmental projects and evaluation of air traffic control systems; for developing flight safety standards and procedures; for establishing minimum en route altitudes; for operational training and flight performance proficiency. In addition to logistic support of Civil Aeronautics Administration stations located in Alaska and Pacific areas, aircraft are used by safety agents in making inspections, investigating accidents, and provide transportation to key staff officials when in the best interests of the public business.
Establishment of air navigation facilities	7	3,615,000			3,615,000			Do.
Total, Civil Aeronautics Administration	9	3,915,000			3,915,000	103	7,662,700	
CIVIL AERONAUTICS BOARD								
Salaries and expenses	1	80,000	1	$80,000			10,000	Staff officials: For investigating aircraft accidents in the field.
WEATHER BUREAU								
Salaries and expenses						1	8,430	Chief, deputy chief, and assistant chiefs of Bureau, members of Chief's staff: For inspection and survey of field installations and operations.
Total, Department of Commerce	10	3,995,000	1	80,000	3,915,000	104	7,681,130	

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DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

The 1959 budget for the military functions of the Department of Defense reflects the great impact of science and technology on modern military power. Continual adjustment of military forces, strategy, techniques and organization to keep pace with the rapid strides of scientific and technological progress has been a principal objective of defense policy since the end of the Korean War. The tempo of change is increasing, and the change during the coming year will be greater than in any preceding year.

Although the Defense Establishment during the last four years has been reshaping its military programs to take advantage of new developments in military technology, recent demonstrations of Soviet scientific progress have pointed up some areas which should now receive still greater emphasis. These areas include ballistic missiles, ballistic missile submarines, ballistic missile detection and defense, the further dispersal of the retaliatory forces and the improvement of their alert status, modernization of the early warning system, outer space projects and basic research. The budget for 1959 together with the proposed supplemental appropriations for 1958 will provide the funds to accelerate efforts in these areas.

At the same time, rapid progress in military technology has diminished the importance of certain other areas of the military program. This budget reflects the lessened effort in those areas.

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS
COSTS BY MAJOR CATEGORIES
Based on existing and proposed legislation
[In millions]

Category	Budget expenditures					Recommended new obligational authority	
	1955 actual	1956 actual	1957 actual	1958 estimate	1959 estimate	1958 supplemental	1959
Military personnel	$10,643	$10,666	$10,384	$10,343	$10,523	.....	$10,550
Operation and maintenance	7,905	8,519	9,214	9,341	9,292	.....	9,322
Major procurement and production	(12,997)	(12,182)	(13,649)	(13,837)	(13,753)	($688)	(13,447)
Aircraft	8,037	7,146	7,978	7,519	6,904	.....	5,866
Missiles	718	1,168	2,095	2,917	3,314	185	3,836
Ships	1,009	895	897	1,106	1,296	296	1,335
Other	3,232	2,973	2,679	2,294	2,239	207	2,410
Military construction	1,582	2,005	1,906	1,933	2,066	520	1,576
Reserve components	717	854	1,054	1,168	1,148	.....	1,113
Research and development [1]	1,391	1,491	1,686	1,801	2,075	62	2,256
Establishmentwide activities	(654)	(688)	(849)	(948)	(958)	.....	(971)
Retired pay	419	477	511	563	601	.....	600
Other	236	211	338	385	357	.....	371
Working capital funds and undistributed	−358	−615	−303	−510	−240	.....	50
Proposed civilian personnel pay adjustments	.....	.....	.....	.....	205	.....	205
Subtotal	35,532	35,791	38,439	38,861	39,779	1,270	39,490
Available by transfer	.....	.....	.....	.....	.....	.....	−345
Total expenditures and new obligational authority	35,532	35,791	38,439	38,861	39,779	1,270	39,145

[1] Excludes amounts in support of this category, and development, test and evaluation activities which are included in the procurement and other categories shown separately.

The changing pattern of defense expenditures from 1955 through 1959 is shown in the accompanying table. The year 1955 is selected for this comparison because it was the first full post-Korean war year, and is therefore the period from which the changes in military concepts are most strikingly measured. The comparisons demonstrate clearly the continuous and substantial nature of this shift in major direction in the intervening 4-year period.

The steady upward trend in defense spending since 1955 is expected to continue through 1958 and 1959. Expenditures in 1959 are estimated at $39,779 million, or $4¼ billion more than in 1955.

Military personnel.—Including the additional pay adjustments recommended in this budget, military personnel costs in 1959 are estimated at $10,523 million, only 1% less than in 1955, even though there will be about 20% fewer military personnel on active duty. Over the years there has been a steady increase in those cost factors associated with the maturing of the forces—longevity pay, allowances for an increasing number of dependents of military personnel, reenlistment bonuses, etc. There has also been a significant increase in grade structure in an effort to make the service career more attractive and to meet the increasing requirements generated by expanding military technology.

But the principal single cause of increased costs in this category is the pay raise which became effective in the last quarter of 1955 and the revised military pay system proposed in this budget. This new proposal is based generally on the principles recommended by the Advisory Committee on Technical and Professional Compensation (Cordiner Committee). The additional cost of the revised system together with other cost increases will offset the savings accruing from the reduction in numbers of military personnel in 1958 and 1959.

The introduction of increasingly complicated weapons systems into our forces raises the skill and experience level required of military personnel in all the services. For example, 52% of the military personnel in a B–47 medium bomber wing are required to be technically trained. This proportion is 61% in the B–52 wings. On the basis of projected manning requirements, technical personnel will constitute two-thirds or more of total military personnel in the intermediate and intercontinental range ballistic missile units.

By rewarding proficiency and merit, the new pay system is expected to reduce the turnover of skilled and experienced military personnel and to increase the effectiveness of the forces.

Operation and maintenance.—Expenditures for operation and maintenance are estimated at $9,292 million in 1959, about $1,400 million or 18% more than in 1955. Part of this increase in cost arises from the gradual phasing out of deutschemark support heretofore received by our forces in Germany from the Federal Republic of Germany, increases in civilian pay rates, and the new dependent medical care program. But much of the increase is caused by the higher unit costs of maintaining and operating the newer and more complex weapons and equipment which are continually being introduced into our military forces. For example, the number of operating active jet aircraft in the Defense Department inventory will increase by 2,275 from 1955 to 1959. The cost of operating these additional more complex jet aircraft is estimated at over $400 million per year for fuel, oil, and depot maintenance alone. As a result, the average cost per flying hour for all types of aircraft in the Air Force and

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Navy will have increased by about 40% during this period.

Operation and maintenance of the greatly expanding continental defense warning net which includes the SAGE system, and the DEW line and its seaward extensions, will add over $300 million to the 1959 budget as compared with 1955. Operation and maintenance of missile sites and units and the cost of training people to man them will add another $160 million to the budget in 1959 as compared with 1955.

Major procurement and production.—Expenditures for procurement and production in 1959 are estimated at $13,753 million, about $750 million greater than in 1955. More important than this overall increase is the dramatic change in the composition of these expenditures. While expenditures for aircraft are expected to decline about 14%, expenditures for missiles will increase by more than 360%.

Even within the aircraft and missile categories the shift in emphasis to new weapons is most striking. With one or two exceptions there is hardly a production model aircraft on the Air Force's 1959 procurement list that was included in the 1955 program. All the fighters and bombers proposed for 1959 procurement will be capable of supersonic speeds and the employment of guided missiles and nuclear weapons. Of the $1.5 billion of aircraft, engines and aeronautical equipment the Navy expects to buy in 1959, about 80% will go for models which were not being bought in production quantities in 1955. In 1959 over 40% of the Army's procurement will be for missiles and related equipment, compared with approximately 10% in 1955.

Spending for the procurement of missiles will continue to expand at a rapid rate, from about $700 million in 1955 to $2.9 billion in 1958 and about $3.3 billion in 1959, more than a four-and-a-half-fold increase in 4 years. A continued rise in missile spending beyond 1959 is indicated by the new obligational authority recommended for that year—more than $3.8 billion. Even in this new field of military technology there will be a very marked shift from the earlier, initial weapons systems to the much more sophisticated systems of the future. About 90% of the dollars programed for missile procurement in 1959 are for weapons which were not in production in operational quantities in 1955. Of the different models of missiles planned for procurement in 1959 only four were being bought in operational quantities in 1955. The longer range ballistic missile systems—Atlas, Titan, Thor, Jupiter, Polaris—which were still in the early developmental stage only a few years ago will account for just about half of the missile procurement program for 1959.

The Department of Defense, late in November 1957, decided to place both the Jupiter and Thor intermediate range ballistic missiles into production so as to achieve an early operational date. This action, of course, entails certain financial risks which must be accepted under the circumstances. Work on the Atlas intercontinental ballistic missile and the submarine-based Polaris missile is also being accelerated. Very substantial sums are included in the 1959 budget for all these programs as well as in the 1958 supplemental.

Expenditures for ships will increase substantially from the $900–$1,000 million level in 1955–57 to approximately $1,300 million in 1959. New obligational authority of $1,335 million is requested for 1959 plus a supplemental of $296 million for 1958. These funds will provide for the construction of 23 new major naval vessels and for 8 conversions, as well as for the advance procurement of long lead-time components for ships to be started in subsequent years, including advance components for a second nuclear-powered attack carrier. The shipbuilding and conversion program places major emphasis on antisubmarine warfare vessels (including submarines), guided missile ships and nuclear propulsion, including the first nuclear-powered frigate. Most of the ships in the 1959 construction program are entirely new types not to be found in the 1955 shipbuilding list. Work on the construction of a ballistic missile submarine fleet capable of employing the Polaris missile is greatly accelerated under this program to bring it into phase with the missile, which is now expected to become available appreciably earlier than originally planned.

Expenditures for "Other major procurement" will continue to decline through fiscal year 1959 and will be about $1 billion less than in 1955. Spending for conventional type weapons, and for production equipment and facilities will be considerably lower in 1959 than in 1955. Expenditures for electronics and communication equipment, however, will be about $225 million higher. New obligational authority in the amount of $2,410 million is requested for 1959 plus a supplemental of $207 million for 1958 for all procurement other than aircraft, missiles, and ships. About half of these combined funds are for electronics and communication equipment, including entirely new and vastly more powerful equipment for the new ballistic missile detection system now under accelerated development, and equipment for the further improvement and extension of the existing continental air defense warning system—SAGE, Missile Master and the newly developed frequency diversity radars.

Military construction.—Expenditures for military construction will be about $150 million higher in the coming fiscal year than in 1957 and 1958 and almost $500 million higher than in 1955. New obligational authority of $1,576 million is requested for 1959 plus a 1958 supplemental of $520 million. Funds are included to speed up the dispersal and alert program of the Strategic Air Command, which entails the dispersal of the SAC bomber force, including refueling tankers, to additional bases and the construction of additional facilities to improve the readiness of both aircraft and crews for prompt response to attack. The threat of an enemy missile attack requires a higher degree of alert and readiness on the part of our retaliatory forces than in the past. Also included are funds for the construction of facilities for the new ballistic missile detection system and the related communication lines. In this and other categories for 1958 and 1959, a total of about $900 million is included for these two related programs. Fully half of the 1959 construction program is for SAC dispersal or facilities for weapons systems and equipment which will have been brought into operational use since 1955.

Reserve components.—Expenditures for reserve components will be 60% higher in 1959 than in 1955. The total number of reserve personnel on paid status will be considerably greater in 1959 than in 1955 but slightly less than in 1958, particularly in the Army reserve components. Greater attention is to be given to combat readiness and equipment rather than to mere numbers of personnel. The overall level of equipping of the Army National Guard, for example, has been raised from about 44% of authorized tables of organization and equipment in 1955 to between 65% and 75% in 1957, and will be further improved during 1958 and 1959. Army National Guard AAA units which

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are now actively participating in the peacetime air defense system in significant numbers are being converted to the Nike ground-to-air missiles.

The amount and quality of equipment for the Air National Guard has also been greatly improved since 1955. At that time the Guard had about 2,000 aircraft, half of which were jets. In 1959, the Guard will have 2,400 aircraft, over 90% of which will be jets, with the balance consisting of transport and related types of aircraft. All the combat aircraft will be jet and all the early model jet aircraft such as the F–80, F–84E, F–86A and E, and F–94A and B will have been eliminated and replaced with more modern types.

Research and development.—Expenditures for research and development will continue their upward trend through 1958 and 1959 and will be almost $700 million or 50% higher in 1959 than in 1955. A total of $2,256 million of new obligational authority is recommended for 1959, substantially more than the amounts appropriated for 1957 or 1958. In order to achieve the desired acceleration of research and development programs, supplemental authorizations of $62 million have been recommended for 1958, as well as a $100 million increase in the transfer authority for the Department of Defense emergency fund. This increase in new obligational authority for 1958 and 1959 indicates that there will be a continuation of the upward trend in research and development expenditures beyond 1959.

Included in the recommended new obligational authority are funds for the new Advanced Research Projects Agency to be set up directly under the Secretary of Defense. This organization is being established to handle the research and development phases of advanced science programs, such as satellites and other outer-space projects, the development of an antiballistic-missile missile system and such other special projects as may be designated by the Secretary.

The important areas of guided missiles, basic research and the operation of research, development and test facilities will together take a much greater proportion of the research and development budget in 1959 than in 1955. The proportion of total effort devoted to research in aircraft and related equipment and conventional weapons and ammunition will be smaller. In the 4 fiscal years 1956–1959, roughly $20 billion of research and development, procurement, military personnel costs, and construction funds will have been programed for the research, development, test and evaluation of new weapons systems to bring them to operational status.

Establishmentwide activities.—Expenditures for Department of Defense establishmentwide activities will also continue their upward trend through 1959, caused for the most part by the increasing cost of retired pay, which will amount to $601 million in 1959, compared with $419 million in 1955.

The estimate for the fiscal year 1959 includes $205 million for the cost to the Department of Defense of the proposed governmentwide pay adjustment for classified civilian employees.

Working capital funds.—As in past years, it is estimated that the working capital or revolving funds of the Department of Defense will spend less than they take in. The excess of collections over expenditures in 1959 is estimated at $240 million. This sum is taken as a credit against other expenditures, bringing the estimated grand total of expenditures for the year to $39,779 million.

Composition of Armed Forces.—The accelerated trend to guided missiles and other new weapons systems is reflected in the changing composition of our military forces.

DEPARTMENT OF DEFENSE—SUMMARY OF MAJOR FORCES

[Fiscal years 1955–59]

	June 30, 1955	*June 30, 1956*	*June 30, 1957*	*June 30, 1958*	*June 30, 1959*
Department of the Army:					
Divisions	20	18	18	15	14
Regiments/regimental combat teams	12	10	9	6	6
Armored combat commands	.....	.....	.....	1	1
Brigades (infantry)	.....	.....	.....	2	2
Battle groups (infantry)	.....	.....	.....	3	3
Army missle commands	.....	.....	2	4	4
Air defense antiaircraft battalions	(122)	(133)	(119)	(88)	(86)
Guided missile battalions	33	47	59	65	73
Other	89	86	60	23	13
Active duty military personnel (in thousands)	1,109	1,026	998	900	870
Reserve components personnel (paid status) (in thousands)	524	620	732	713	699
Active aircraft inventory	(3,539)	(3,573)	(4,447)	(4,937)	(5,439)
Helicopters	1,188	1,456	1,901	2,140	2,443
Fixed-wing	2,351	2,117	2,546	2,797	2,996
Department of the Navy:					
Active ships	(1,030)	(973)	(967)	(901)	(864)
Warships	402	404	409	402	396
Other	628	569	558	499	468
Carrier air groups	17	17	17	17	16
Carrier antisubmarine squadrons	19	19	20	20	20
Marine divisions	3	3	3	3	3
Marine air wings	3	3	3	3	3
Active duty military personnel (in thousands)	(866)	(871)	(878)	(833)	(805)
Navy	661	670	677	645	630
Marine Corps	205	201	201	188	175
Reserve components personnel (paid status) (in thousands)	208	209	203	196	192
Active aircraft inventory	(12,821)	(12,317)	(11,617)	(10,654)	(9,826)
Operating aircraft	9,761	9,687	9,421	8,733	8,054
Logistical support aircraft	3,060	2,630	2,196	1,921	1,772
Jet aircraft as percent of active aircraft inventory	32	35	38	41	43
Department of the Air Force:					
USAF wings	(121⅓)	(131)	(137)	(117)	(105)
Strategic	46	51	50	44	43
Air defense	29	32	32	28	27
Tactical (including airlift)	46⅓	48	55	45	35
Active duty military personnel (in thousands)	960	910	920	875	850
Reserve components personnel (paid status) (in thousands)	119	123	136	138	147
Active aircraft inventory	(23,694)	(26,760)	(25,969)	(22,057)	(20,843)
Operating aircraft	21,398	21,564	20,902	20,330	19,142
Nonoperating active aircraft	2,296	5,196	5,067	1,727	1,701
Jet aircraft as percent of active aircraft inventory	50	56	60	62	65

Army.—The Army with an active duty military personnel strength of 870,000 on June 30, 1959 will support 14 divisions, 6 regiments, 1 armored combat command, 2 brigades, and 3 separate battle groups. This compares with an active Army strength of 1,109,000 men, 20 divisions and 12 regiments and regimental combat teams in 1955. However, 3 separate battle groups and 4 missile commands have been organized since 1955, to permit a closer tailoring of forces to particular missions. The Army will complete the reorganization of its divisions along pentomic lines during the current year, thus providing these divisions with an organic atomic capability.

In addition, the Army will have 4 missile commands compared with none at the end of 1955 and a considerably larger number of separate surface-to-surface missile battalions. Although the total number of antiaircraft battalions will decline from 122 to 86 from 1955 through 1959, the number of guided missile antiaircraft battalions will more than double. The reduction is primarily in 90 and 120 mm AAA gun battalions which are now of limited combat effectiveness. By June 30, 1959, there will only be 1 such gun battalion left in the Army. There will, however, still be a number of "sky sweeper" battalions and a number of self-propelled automatic weapons battalions for the protection of the Army in the field.

The great increase in the unit effectiveness of Army antiaircraft battalions is not evident in the above figures.

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In 1959 an appreciable proportion of the guided missile battalions will have been converted from Nike Ajax to Nike Hercules missiles. The latter are not only vastly superior in altitude and range but will be capable of using atomic warheads.

Army aviation will continue to expand, particularly with respect to helicopters. The active aircraft inventory of the Army on June 30, 1959, is expected to be over 50% greater than on June 30, 1955.

Navy and Marine Corps.—The Navy with an active duty personnel strength of 630,000 on June 30, 1959, will support a total of 864 active ships of which 396 will be warships. This compares with 1,030 active ships, including 402 warships, at the end of 1955. While the total number of warships remains virtually unchanged, the total capability of these ships will be greater because of the increased combat effectiveness of the new ships and aircraft which will have joined the fleet during this period. The number of operating aircraft in the Navy will decline while the number of missiles of all types will increase considerably by June 30, 1959.

The Marine Corps with an active duty strength of 175,000 on June 30, 1959, will continue to support 3 divisions and 3 air wings.

Air Force.—The Air Force with an active duty personnel strength of 850,000 will be supporting 105 wings on June 30, 1959, 16 fewer than on June 30, 1955. Part of the reduction, however, occurs in areas where guided missiles are greatly modifying the role of manned aircraft. Most of the remaining reduction is being made in those elements which are of decreasing importance in the light of evolving force requirements. The SAC bomber force will have been greatly strengthened both in numbers and quality of aircraft since 1955. Virtually all SAC bomber wings will be jet equipped by the end of 1959 as the conversion of heavy bomber wings to the B–52 is completed. The number of aircraft in each heavy bomber wing is being increased from 30 B–36's to 45 B–52's. The strategic fighter wings associated with the B–36 bombers have already been phased out of the force and, in consonance with changing requirements, there will be a further reduction of one strategic reconnaissance wing during 1959.

During 1959 the Air Force will begin to show a missile capability in its strategic forces. The introduction of the Bomarc ground-to-air missile will also provide the Air Force with an enhanced guided missile capability in its air defense forces. Virtually all interceptor squadrons will be equipped with the Falcon or Sidewinder air-to-air guided missiles, and a considerable number of squadrons will be equipped with the new nuclear-armed air-to-air rocket Genie. The tactical missile capability of the Air Force will be further improved as the new Mace surface-to-surface tactical missile is added to the inventory.

Reflecting the reduction in wings and increasing emphasis on missiles, the operating aircraft inventory of the Air Force at the end of 1959 will be about 2,250 less than at the end of 1955.

Transfer authority.—This budget also includes a general provision which will authorize the President to transfer, between appropriations available for obligation for military functions of the Department of Defense, up to $2 billion. This transfer provision is desirable in order to be able to modify and accelerate programs on short notice if new discoveries and developments indicate shifts are desirable from already programed items to other weapons that show a demonstrated superiority.

The budget proposed for 1959 will thus provide for numerically smaller but more powerful and better equipped military forces, with particular emphasis on the development and production of ballistic missiles, ballistic missile submarines, ballistic missile detection and defense, the further dispersal of the retaliatory forces and the improvement of their alert status, modernization of the early warning system, outer space projects and basic research.

In summary, the 1959 budget provides for the Department of Defense as follows:

New obligational authority.—$39,145,400,000 (excluding the proposed transfers of $345,000,000 from the Army, Navy, and Marine Corps stock funds in lieu of new appropriations). In addition there are proposed supplemental appropriations for 1958 totaling $1,270,000,000.

Direct obligations.—$41,141,000,000 (including $157,000,000 attributable to unobligated portions of letters of intent issued in prior years which are expected to be recorded as obligations during 1959). This gross direct obligational program contemplates utilization of the unprogramed fund resources that can be applied to new programs and $385,000,000 in projected recoveries of prior obligations in addition to the new obligational authority being requested for 1959.

Net expenditures.—$39,779,000,000.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Major national security:						
051 Direction and coordination of defense	$14,950	$26,350	$356,400	$13,607	$20,924	$215,412
052 Air Force defense	17,696,503	17,739,227	18,044,000	18,362,675	18,441,000	18,736,000
053 Army defense	7,671,937	7,694,402	9,036,000	9,062,689	9,043,000	8,880,000
054 Naval defense	10,220,104	10,469,173	10,720,000	10,398,315	10,640,000	10,913,000
055 Other central defense activities	651,053	675,449	784,000	601,554	716,076	829,588
050 Proposed civilian personnel pay adjustment			205,000			205,000
Total, Department of Defense—Military Functions	36,254,547	36,604,602	39,145,400	38,438,841	38,861,000	39,779,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
OFFICE OF THE SECRETARY OF DEFENSE							
Current authorizations:							
Salaries and expenses	051	$14,500,000	$15,900,000	$15,900,000	$13,171,909	$15,477,000	$15,812,000
Office of Public Affairs: Salaries and expenses	051	450,000	450,000	500,000	434,845	447,000	491,000
Advanced Research Projects Agency: Salaries and expenses	051			340,000,000			194,109,000
Proposed for later transmission (under existing legislation):							
Advanced Research Projects Agency: Salaries and expenses	051		10,000,000			5,000,000	5,000,000
Total, Office of the Secretary of Defense		14,950,000	26,350,000	356,400,000	13,606,754	20,924,000	215,412,000
INTERSERVICE ACTIVITIES							
Current authorizations:							
Claims	055	11,000,000	12,000,000	18,620,000	8,901,936	11,950,000	18,500,000
Contingencies	055	32,500,000	30,000,000	30,000,000	11,673,650	17,600,000	31,500,000
Emergency fund	055	11,727,972	38,374,200	85,000,000		15,000,000	75,000,000
Retired pay	055	515,000,000	555,000,000	600,000,000	511,181,733	563,000,000	601,500,000
Court of Military Appeals	055	375,000	375,000	380,000	330,306	353,000	379,000
Loran stations	055	5,450,000	5,500,000		5,450,000	5,500,000	
United States scientific satellite	055		34,200,000			28,000,000	6,200,000
Interservice activities miscellaneous accounts:							
Access roads	055				4,609,121	2,960,000	1,500,000
Construction of ships, Military Sea Transportation Service	055				31,378,374	11,234,000	1,500,000
Family housing	055				21,477,424	2,479,000	509,000
Military construction, foreign countries	055				6,481,224	18,000,000	18,000,000
Public enterprise funds:							
Acquisition, rehabilitation, and rental of Wherry Act housing: Reappropriation	055	75,000,000		50,000,000	70,671	40,000,000	55,000,000
Proposed for later transmission (under proposed legislation):							
Loran stations	055						20,000,000
Total, interservice activities		651,052,972	675,449,200	784,000,000	601,554,439	716,076,000	829,588,000
DEPARTMENT OF THE ARMY							
Current authorizations:							
Military personnel	053	3,566,694,612	3,113,000,000	3,105,200,000	3,586,956,531	3,475,000,000	3,325,000,000
Operation and maintenance	053	3,058,063,932	3,205,000,000	3,040,000,000	2,884,723,081	3,109,000,000	2,992,000,000
Reserve personnel	053	215,000,000	197,000,000	185,000,000	164,618,900	200,000,000	185,000,000
Reappropriation	053		10,000,000				
Army National Guard	053	320,162,000	333,800,000	298,000,000	294,167,859	320,000,000	300,000,000
Research and development	053	432,673,528	443,852,144	471,000,000	435,083,636	450,000,000	460,000,000
Procurement of equipment and missiles	053			1,405,000,000	1,602,157,031	1,450,000,000	1,301,000,000
National Board for Promotion of Rifle Practice	053	357,000	250,000	300,000	202,917	250,000	300,000
Alaska Communication System:							
Operation and maintenance	053	5,000,000	5,500,000	5,500,000	5,891,653	5,400,000	5,500,000
Construction	053				93,189	500,000	100,000
Military construction, Army	053		310,000,000		412,538,324	360,000,000	290,000,000
Military construction, Army Reserve Forces	053	55,000,000	55,000,000		40,662,649	45,000,000	35,000,000
Preparation for sale or salvage of military property (indefinite special account)	053	18,985,716	21,000,000	22,000,000	18,800,136	20,000,000	22,000,000
Miscellaneous expired accounts	053				−752,885	1,871,271	
Public enterprise funds:							
Defense housing	053				−562,859	−400,000	−400,000
Intragovernmental funds:							
Army industrial fund	053				−31,848,187	23,000,000	
Army management fund	053				2,019,709		
Army stock fund	053				−362,618,226	−420,000,000	−253,000,000
Advances and reimbursements	053				10,459,575	3,378,729	500,000
Miscellaneous replacing accounts	053				96,275		
Proposed for later transmission (under proposed legislation):							
Military personnel	053			164,000,000			162,000,000
Reserve personnel	053			12,000,000			12,000,000
Army National Guard	053			8,000,000			8,000,000
Military construction, Army	053			320,000,000			35,000,000
Total, Department of the Army		7,671,936,788	7,694,402,144	9,036,000,000	9,062,689,309	9,043,000,000	8,880,000,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY							
Current authorizations:							
Military personnel, Navy	054	$2,478,316,000	$2,287,000,000	$2,301,818,000	$2,465,317,885	$2,463,000,000	$2,390,000,000
Reserve personnel, Navy	054	90,000,000	83,268,000	84,735,000	83,405,409	82,500,000	83,500,000
Navy personnel, general expenses	054	83,980,000	85,000,000	86,305,000	82,415,951	83,000,000	83,000,000
Military personnel, Marine Corps	054	644,100,000	609,449,000	593,606,000	615,126,778	605,000,000	590,000,000
Reserve personnel, Marine Corps	054	26,800,000	22,500,000	23,000,000	19,969,600	21,500,000	22,500,000
Marine Corps procurement	054	164,000,000		30,000,000	209,913,284	200,000,000	175,000,000
Marine Corps troops and facilities	054	171,720,000	173,000,000	168,252,000	168,043,131	170,500,000	166,000,000
Aircraft and related procurement	054	1,732,900,000	1,837,000,000	2,069,105,000	2,172,764,411	2,190,000,000	2,100,000,000
Aircraft and facilities	054	810,772,000	853,500,000	840,548,000	880,550,786	855,000,000	840,000,000
Shipbuilding and conversion	054	1,479,700,000	1,584,000,000	1,381,000,000	916,909,024	1,122,000,000	1,307,000,000
Ships and facilities	054	766,040,000	820,000,000	789,238,000	855,159,610	795,000,000	794,000,000
Procurement of ordnance and ammunition	054	294,000,000	176,000,000	460,235,000	309,454,999	300,000,000	346,200,000
Ordnance and facilities	054	163,680,000	158,000,000	149,850,000	172,688,879	167,000,000	152,000,000
Medical care	054	61,323,000	85,200,000	88,532,000	68,534,654	83,500,000	87,000,000
Civil engineering	054	129,600,000	131,000,000	126,554,000	138,680,729	130,000,000	126,000,000
Research and development	054	528,630,000	526,731,386	641,045,000	522,588,685	556,000,000	599,800,000
Servicewide supply and finance	054	297,486,400	294,500,000	312,637,000	297,411,619	294,000,000	310,000,000
Servicewide operations	054	102,435,000	105,100,000	113,257,000	95,970,909	102,000,000	110,000,000
Naval petroleum reserves	054	683,000	825,000	1,683,000	2,126,707	1,835,000	1,600,000
Military construction, Navy	054	165,000,000	265,000,000		353,568,029	379,000,000	308,000,000
Construction of ships	054				16,929,704	14,000,000	4,000,000
Military construction, Naval Reserve Forces	054	9,704,000			15,304,255	17,000,000	14,000,000
Ordnance for new construction	054				3,697,227	3,000,000	2,000,000
Preparation for sale or salvage of military property (indefinite special account)	054	10,933,151	14,000,000	15,000,000	10,777,685	13,700,000	14,800,000
Construction, water supply facilities, San Diego, California	054				17	295	
Facilities	054				1,528,956	1,190,000	876,830
Increase and replacement of naval vessels, armor, armament, and ammunition	054				162,379	643,599	
Increase and replacement of naval vessels, construction and machinery	054				155,360	140,514	175,120
Naval Petroleum Reserve Numbered 4, Alaska	054				231	359	
Public works, Bureau of Yards and Docks	054				54,432	1,571	
Research	054				29,595	70,206	
Retired pay	054				79,022		
Permanent authorizations:							
Ships' stores profits (indefinite special account)	054	8,301,920	8,100,000	8,100,000	8,226,071	8,100,000	8,100,000
Public enterprise funds:							
Defense housing	054				−256,375	−50,000	−330,000
Laundry services, Naval Academy	054				−12,970	15,000	27,000
Intragovernmental funds:							
Marine Corps stock fund	054				−15,267,928	−16,000,000	−17,000,000
Naval working fund	054				9,524,498	5,000,000	4,500,000
Navy industrial fund	054				29,141,598	−2,000,000	−8,000,000
Navy management fund	054				13,731,328	54,353,456	55,251,050
Navy stock fund	054				−126,090,860	−100,000,000	−40,000,000
Advances and reimbursements	054				34		
Proposed for later transmission:							
Under existing legislation:							
Shipbuilding and conversion	054		296,000,000			20,000,000	60,000,000
Procurement of ordnance and ammunition	054		31,800,000			3,000,000	28,800,000
Research and development	054		22,200,000			17,000,000	5,200,000
Under proposed legislation:							
Military personnel, Navy	054			121,000,000			117,400,000
Reserve personnel, Navy	054			4,000,000			3,900,000
Military personnel, Marine Corps	054			20,000,000			19,700,000
Reserve personnel, Marine Corps	054			1,000,000			1,000,000
Military construction, Navy	054			281,500,000			45,000,000
Military construction, Naval Reserve Forces	054			8,000,000			2,000,000
Total, Department of the Navy		10,220,104,471	10,469,173,386	10,720,000,000	10,398,315,338	10,640,000,000	10,913,000,000
DEPARTMENT OF THE AIR FORCE							
Current authorizations:							
Aircraft and missile procurement	052	6,848,500,000	5,886,000,000	5,888,800,000	7,401,267,709	7,132,000,000	6,622,000,000
Aircraft and missile support	052	1,140,000,000	1,165,800,000	2,146,000,000	932,925,324	1,323,000,000	1,424,000,000
Research and development	052	723,968,500	655,707,000	719,000,000	728,536,859	710,000,000	720,000,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE—Continued							
Current authorizations—Continued							
Operation and maintenance	052	$3,738,919,418	$4,039,120,000	$4,100,600,000	$4,084,771,333	$3,980,000,000	$4,068,000,000
Military personnel	052	3,720,675,000	3,801,600,000	3,737,000,000	3,709,218,649	3,800,000,000	3,740,000,000
Reserve personnel	052	59,300,000	53,000,000	50,500,000	44,464,955	49,000,000	49,000,000
Air National Guard	052	258,700,000	243,000,000	238,100,000	217,242,394	233,000,000	236,000,000
Military construction, Air Force	052	1,197,665,000	900,000,000		1,082,706,691	1,070,000,000	795,000,000
Preparation for sale or salvage of military property (indefinite special account)	052	8,775,300	10,000,000	12,000,000	7,218,398	10,000,000	12,000,000
Contingencies	052				685,279		
Special procurement	052				126,375	90,000	30,000
Replacement of personal property sold	052				−7,928	10,000	
Intragovernmental funds:							
Air Force industrial fund	052		75,000,000		−14,984	468,000	−40,000
Air Force management fund	052				69,089,979	43,432,000	10,010,000
Air Force stock fund	052				84,283,065	−40,000,000	19,000,000
Advances and reimbursements	052				160,568		
Proposed for later transmission:							
Under existing legislation:							
Aircraft and missile support	052		360,000,000			57,000,000	303,000,000
Research and development	052		30,000,000			20,000,000	10,000,000
Under proposed legislation:							
Military personnel	052			182,000,000			178,700,000
Reserve personnel	052			3,000,000			2,800,000
Air National Guard	052			12,600,000			4,500,000
Military construction, Air Force	052		520,000,000	955,000,000		53,000,000	542,000,000
Total, Department of the Air Force		17,696,503,218	17,739,227,000	18,044,000,000	18,362,674,666	18,441,000,000	18,736,000,000
Proposed for later transmission (under proposed legislation):							
Department of Defense—Military Functions: Proposed civilian personnel pay adjustments	050			205,000,000			205,000,000
Total new obligational authority and budget expenditures		36,254,547,449	36,604,601,730	39,145,400,000	38,438,840,506	38,861,000,000	39,779,000,000
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$36,171,245,529	$35,316,501,730	$36,790,200,000			
Reappropriations		75,000,000	10,000,000	50,000,000	$38,438,840,506	$38,686,000,000	$38,008,000,000
Permanent authorizations:							
Appropriations		8,301,920	8,100,000	8,100,000			
Proposed for later transmission:							
Appropriations			1,270,000,000	2,297,100,000		175,000,000	1,771,000,000
Total new obligational authority and budget expenditures		36,254,547,449	36,604,601,730	39,145,400,000	38,438,840,506	38,861,000,000	39,779,000,000

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied) 1957	1958	1959	RECEIPTS FROM OPERATIONS (funds provided) 1957	1958	1959	BUDGET EXPENDITURES 1957	1958	1959
INTERSERVICE ACTIVITIES										
Acquisition, rehabilitation, and rental of Wherry Act housing	055	$73	$61,992	$105,150	$2	$21,992	$50,150	$71	$40,000	$55,000
DEPARTMENT OF THE ARMY										
Defense housing	053	473	650	650	1,036	1,050	1,050	−563	−400	−400
DEPARTMENT OF THE NAVY										
Defense housing	054	794	1,450	1,120	1,050	1,500	1,450	−256	−50	−330
Laundry service, Naval Academy	054	522	566	592	535	551	565	−13	15	27
Total, Department of the Navy		1,316	2,016	1,712	1,585	2,051	2,015	−269	−35	−303
Total public enterprise funds		1,862	64,658	107,512	2,623	25,093	53,215	−761	39,565	54,297

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
								Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	New obligational authority	Balance of prior authority	Unobligated	Total
OFFICE OF THE SECRETARY OF DEFENSE											
Current authorizations:											
Salaries and expenses		$880		$1,064		$1,187	$15,900	$15,050	$762		$1,275
Office of Public Affairs: Salaries and expenses		31		40		43	500	451	40		52
Advanced Research Projects Agency: Salaries and expenses							340,000	194,109		$40,000	145,891
Proposed for later transmission (under existing legislation):											
Advanced Research Projects Agency: Salaries and expenses						5,000			5,000		
Total, Office of the Secretary of Defense		911		1,104		6,230	356,400	209,610	5,802	40,000	147,218
INTERSERVICE ACTIVITIES											
Current authorizations:											
Claims		475		588		638	18,620	17,990	510		758
Contingencies		12,426		8,755		21,155	30,000	18,000	13,500		19,655
Emergency fund						23,374	85,000	60,000	15,000		33,374
Retired pay		8,179		27,440		19,440	600,000	596,200	5,300		17,940
Court of Military Appeals		31		26		48	380	334	45		49
United States scientific satellite						6,200			6,200		
Interservice activities miscellaneous accounts:											
Access roads	$2,450	9,521	$2,027	4,911		1,951			1,500		451
Construction of ships, Military Sea Transportation Service	11,631	55,694	10,255	24,315	$5,605	13,081			1,500	1,105	11,581
Family housing	6,445	27,215	3,311	5,737		509			509		
Military construction, foreign countries		62,547		56,066		38,066			18,000		20,066
Public enterprise funds:											
Acquisition, rehabilitation, and rental of Wherry Act housing			74,894	74,929	22,042	34,929	50,000	42,112	12,888	21,638	29,929
Proposed for later transmission (under proposed legislation):											
Loran stations									[5] 20,000		([5])
Total, interservice activities	20,526	176,088	90,487	202,767	27,647	159,391	784,000	734,636	94,952	22,743	133,803
DEPARTMENT OF THE ARMY											
Current authorizations:											
Military personnel		175,257	−7,636	191,126		184,126	3,105,200	3,145,000	180,000		[5] 189,326
Operation and maintenance	8,009	685,660	63,163	886,092	100,079	931,009	3,040,000	2,327,000	665,000	69,350	[1] 948,279
Reserve personnel		18,917		38,267		41,467	185,000	153,000	32,000		41,467
Army National Guard		52,696		59,859		66,559	298,000	240,000	60,000		64,559
Research and development	28,552	310,102	33,828	308,232	20,780	302,084	471,000	233,000	227,000	25,780	313,084
Procurement of equipment and missiles	2,524,767	5,635,948	1,595,891	4,085,669	428,300	2,838,278	1,405,000	210,000	1,091,000	173,300	[1] 2,681,935
National Board for Promotion of Rifle Practice		52		88		88	300	220	80		88
Alaska Communication System:											
Operation and maintenance	610	2,625	35	1,068		1,133	5,500	4,700	800		1,133
Construction	1,361	1,361	857	1,268	599	768			100	599	668
Military construction, Army	303,306	712,172	161,262	501,634	131,262	451,634			290,000		161,634
Military construction, Army Reserve Forces	24,228	56,889	28,076	71,273	56,076	81,273			35,000	21,076	46,273
Preparation for sale or salvage of military property (indefinite special account)		1,894		1,983		2,983	22,000	20,000	2,000		2,983
Miscellaneous expired accounts				1,871							
Public enterprise funds:											
Defense housing			440	563	790	963			−400	590	[2] 813
Intragovernmental funds:											
Army industrial fund	562,448	337,584	461,874	260,629	386,032	187,402				333,963	[1] 186,432
Army management fund	1,000	2,802	1,091	782	1,000	782				1,000	782
Army stock fund	859,853	791,379	679,245	536,093	774,879	720,291			−253,000	619,821	[1] [5] 607,636
Advances and reimbursements	5,408	15,797	3,608	5,322	835	1,942			500	185	1,442

See footnotes at end of table, p. 441.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior authority		
DEPARTMENT OF THE ARMY—Continued											
Proposed for later transmission (under proposed legislation):											
Military personnel							$164,000	$162,000			$2,000
Reserve personnel							12,000	12,000			
Army National Guard							8,000	8,000			
Military construction, Army							320,000	35,000		$131,262	285,000
Total, Department of the Army	$4,319,542	$8,801,135	$3,021,734	$6,951,819	$1,900,632	$5,812,782	9,036,000	6,549,920	$2,330,080	1,376,926	5,535,534
DEPARTMENT OF THE NAVY											
Current authorizations:											
Military personnel, Navy		40,661		47,795		61,795	2,301,818	2,255,000	135,000		73,613
Reserve personnel, Navy		14,719		15,927		16,695	84,735	68,000	15,500		17,930
Navy personnel, general expenses	5,293	16,482	3,994	16,572	4,988	19,711	86,305	73,500	9,500	1,988	[1] 21,716
Military personnel, Marine Corps		26,122		35,630		40,079	593,606	557,000	33,000		43,685
Reserve personnel, Marine Corps		3,266		4,759		5,759	23,000	18,500	4,000		6,259
Marine Corps procurement	314,102	786,522	387,132	741,925	259,097	548,571	30,000		175,000	96,097	[1] 398,571
Marine Corps troops and facilities	7,710	59,098	4,068	47,833	2,005	51,329	168,252	131,000	35,000	5	[1] 52,181
Aircraft and related procurement	2,022,229	5,540,154	1,790,263	5,096,750	1,441,562	4,779,272	2,069,105	250,000	1,850,000	1,284,667	[1] 4,710,594
Aircraft and facilities		266,335		279,219	1,217	267,436	840,548	650,000	190,000	217	[1] 264,767
Shipbuilding and conversion	912,976	2,549,850	955,907	3,109,559	1,026,030	3,587,284	1,381,000	120,000	1,187,000	859,530	[1] 3,654,784
Ships and facilities	4,371	264,115	6,006	248,454	8,991	265,946	789,238	611,000	183,000	7,391	[1] 259,584
Procurement of ordnance and ammunition	127,735	486,822	157,412	484,098	49,279	367,689	460,235	87,835	258,365	36,514	[1] 463,124
Ordnance and facilities		56,427		69,059	1,839	60,059	149,850	115,000	37,000	839	[1] 56,909
Medical care		3,240		4,675		6,375	88,532	81,900	5,100		7,907
Civil engineering	2,432	31,005	4,528	24,424	2,998	26,267	126,554	106,000	20,000		[1] 25,221
Research and development	19,002	332,187	22,725	351,228	22,725	321,959	641,045	339,800	260,000	22,725	363,204
Servicewide supply and finance	202	15,693	748	15,205	700	16,240	312,637	294,000	16,000		[1] 18,127
Servicewide operations		18,188		26,099		28,499	113,257	90,000	20,000		31,756
Naval petroleum reserves		2,788		1,167		157	1,683	1,443	157		240
Military construction, Navy	185,795	540,617	177,927	587,049	142,927	473,049			308,000	30,927	165,049
Construction of ships	40,557	77,730		27,214		13,214			4,000		9,214
Contract authorization	18,428	18,428									
Military construction, Naval Reserve Forces	35,397	47,077	25,725	41,477	12,725	24,477			14,000	1,725	10,477
Ordnance for new construction	8,112	19,790		7,392		4,392			2,000		2,392
Contract authorization	21,000	21,000									
Preparation for sale or salvage of military property (indefinite special account)		586		823		1,123	15,000	13,877	923		1,323
Construction, water supply facilities, San Diego, Calif	1,882	1,882									
Facilities		798		2,305		1,115			877		238
Increase and replacement of naval vessels, armor, armament, and ammunition				674		30					30
Increase and replacement of naval vessels, construction and machinery				316		175			175		
Public works, Bureau of Yards and Docks				2							
Research				76		6					6
Permanent authorizations:											
Ships' stores profits (indefinite special account)	2,227	2,227	2,303	2,303	2,303	2,303	8,100	8,100		2,303	2,303
Public enterprise funds:											
Defense housing			347	631	580	681			−330	459	[3] 561
Laundry service, Naval Academy	97	120	77	133	54	118			27	29	91

See footnotes at end of table, p. 441.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior authority		
DEPARTMENT OF THE NAVY—Continued											
Intragovernmental funds:											
Marine Corps stock fund	$62,186	$80,262	$33,321	$57,530	$29,521	$53,530			−$17,000	$26,621	[1] [5] $50,530
Naval working fund	7,029	24,866	6,318	15,341	6,318	10,341			4,500	3,818	5,841
Navy industrial fund	774,430	296,803	850,687	215,661	632,687	147,661			−8,000	587,687	155,661
Navy management fund	61,795	168,962	52,896	155,586	12,896	101,233			55,251	3,896	45,982
Navy stock fund	373,293	505,202	95,941	332,302	130,968	342,328			−40,000	76,718	[1] 271,078
Proposed for later transmission:											
Under existing legislation:											
Shipbuilding and conversion					116,000	276,000			60,000	7,000	216,000
Procurement of ordnance and ammunition						28,800			28,800		
Research and development						5,200			5,200		
Under proposed legislation:											
Military personnel, Navy							$121,000	$117,400			3,600
Reserve personnel, Navy							4,000	3,900			100
Military personnel, Marine Corps							20,000	19,700			300
Reserve personnel, Marine Corps							1,000	1,000			
Military construction, Navy							281,500	45,000		84,500	236,500
Military construction, Naval Reserve Forces							8,000	2,000		4,000	6,000
Total, Department of the Navy	5,008,280	12,320,023	4,578,325	12,067,192	3,908,410	11,956,898	10,720,000	6,060,955	4,852,045	3,139,656	11,653,448
DEPARTMENT OF THE AIR FORCE											
Current authorizations:											
Aircraft and missile procurement	4,594,099	13,206,746	4,556,846	12,232,016	3,376,534	10,647,374	5,888,800	1,305,000	5,317,000	2,882,434	[1] 9,554,174
Aircraft and missile support	752,025	2,001,918	422,129	2,203,321	391,092	2,010,021	2,146,000	575,000	849,000	531,192	[1] 2,522,021
Research and development	38,763	473,968	76,600	469,399	40,000	415,106	719,000	380,000	340,000	40,000	414,106
Operation and maintenance	10,120	1,288,566	9,336	886,253		849,042	4,100,000	3,335,000	733,000		881,042
Military personnel		110,169		111,008		112,608	3,737,000	3,625,000	115,000		109,608
Reserve personnel		5,538		6,832		7,832	50,500	41,000	8,000		9,332
Air National Guard		50,551		84,482		94,482	238,100	165,000	71,000		96,582
Military construction, Air Force	344,163	1,320,897	367,012	1,435,856	267,012	1,265,856			795,000		470,856
Contingencies		863									
Preparation for sale or salvage of military property (indefinite special account)		457		1,878		1,878	12,000	10,200	1,800		1,878
Special procurement				388		298			30		268
Replacement of personal property sold				21		11					11
Intragovernmental funds:											
Air Force industrial fund	6,006	7,105	6,237	7,120	81,328	81,652			−40	81,497	81,692
Air Force management fund	12,826	115,226	6,104	54,473	1,000	11,041			10,010	1,000	1,031
Air Force stock fund	251,747	328,491	100,461	194,208	140,461	234,208			19,000	127,461	215,208
Advances and reimbursements		23		60		60					60
Proposed for later transmission:											
Under existing legislation:											
Aircraft and missile support					30,000	303,000			303,000		
Research and development						10,000			10,000		
Under proposed legislation:											
Military personnel							182,000	178,700			3,300
Reserve personnel							3,000	2,800			200
Air National Guard							12,600	4,500			8,100
Military construction, Air Force					180,000	467,000	955,000	75,000	467,000	267,012	880,000
Total, Department of the Air Force	6,009,749	18,910,518	5,544,725	17,687,315	4,507,427	16,511,469	18,044,000	9,697,200	9,038,800	3,930,596	15,249,469
Proposed for later transmission:											
Department of Defense: Amount anticipated to be "reserved" from proposed 1959 "Military assistance" appropriations for orders to be placed with the Department of Defense (this sum is excluded from the amounts shown in the "Analysis of unexpended balances" for "Military assistance")										1,075,000	1,075,000
Total, Department of Defense—Military Functions	15,358,097	40,208,675	13,235,271	36,910,197	10,344,116	34,446,770	39,145,400	23,457,321	16,321,679	9,584,921	33,794,472

See footnotes at end of table, p. 441.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior authority		
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$12,340,551	$37,494,625	$10,861,730	$34,998,835	$7,796,725	$31,422,608				$6,129,764	[1]$29,423,603
Contract authorizations	39,428	39,428									
Revolving and management funds:							$36,848,300	$22,585,321	$15,432,273		
Public enterprise funds	97	120	75,758	76,256	23,466	36,691				22,716	[4]31,394
Intragovernmental funds	2,978,021	2,674,502	2,297,783	1,835,107	2,197,925	1,892,471				1,863,667	1,623,375
Proposed for later transmission:											
Appropriations					326,000	1,095,000	2,297,100	872,000	899,000	1,568,774	2,716,100
Total, Department of Defense—Military Functions	15,358,097	40,208,675	13,235,271	36,910,197	10,344,116	34,446,770	39,145,400	23,457,321	16,321,679	9,584,921	33,794,472

[1] Excludes amounts representing deliveries against prior year common item orders shown on the table at the end of the chapter.

[2] Excludes capital transfer of $550 thousand in 1959.

[3] Excludes capital transfer of $450 thousand in 1959.

[4] Excludes capital transfer of $1,000 thousand in 1959.

[5] Reflects transfers between accounts.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$37,494,625	$34,998,835	$31,422,608
Contract authorizations	39,428		
Revolving and management funds	2,674,622	1,911,362	1,929,162
Proposed for later transmission: Appropriations			1,095,000
Total balances brought forward	40,208,675	36,910,197	34,446,770
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	36,171,246	35,316,502	36,790,200
Reappropriations	75,000	10,000	50,000
Total new obligational authority under current authorizations	36,246,246	35,326,502	36,840,200
Permanent authorizations: Appropriations	8,302	8,100	8,100
Total new obligational authority enacted or recommended	36,254,547	35,334,602	36,848,300
Proposed for later transmission: Appropriations		1,270,000	2,297,100
Total new obligational authority	36,254,547	36,604,602	39,145,400
Other amounts available:			
Restored from certified claims account	447,849		
Net transfers of balances to (−) or from other agencies	−390,333	47,278	−17,698
Total other amounts available	57,516	47,278	−17,698
Total budget authorizations available	76,520,738	73,562,077	73,574,472
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	38,438,841	38,686,000	22,585,321
Out of balances of prior obligational authority			15,422,679
Total expenditures from obligational authority enacted or recommended	38,438,841	38,686,000	38,008,000
From obligational authority proposed for later transmission:			
Out of new obligational authority		175,000	872,000
Out of balances of prior obligational authority			899,000
Total expenditures from obligational authority proposed for later transmission		175,000	1,771,000
Total budget expenditures	38,438,841	38,861,000	39,779,000
Amounts no longer available:			
Unobligated balances rescinded	716,228	2,749	
Unobligated balances expiring and lapsing	293,891	251,555	
Capital transfers from revolving funds to receipt accounts			1,000
Adjustment of balances downward in expired accounts, net	161,582		
Total amounts no longer available	1,171,701	254,304	1,000
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	34,998,835	31,422,608	29,423,603
Revolving and management funds	1,911,362	1,929,162	1,654,769
Proposed for later transmission: Appropriations		1,095,000	2,716,100
Total balances carried forward at close of year	36,910,197	34,446,770	33,794,472
Obligations incurred, net	$36,976,921	$39,288,731	$39,885,897

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OFFICE OF THE SECRETARY OF DEFENSE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Secretary of Defense, including purchase (not to exceed five for replacement only at not to exceed $3,000 each) and hire of passenger motor vehicles; and not to exceed $60,000 for emergency and extraordinary expenses, to be expended under the direction of the Secretary of Defense for such purposes as he deems proper, and his determination thereon shall be final and conclusive; $15,900,000. (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$15,900,000** Estimate 1959, **$15,900,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direction and coordination of defense activities (total obligations)	$13,491,140	$15,600,000	$15,900,000
Financing:			
Unobligated balance no longer available	1,008,860	300,000	
Appropriation (new obligational authority)	14,500,000	15,900,000	15,900,000

The Secretary of Defense assists the President on matters relating to defense and exercises over the Department of Defense the direction, authority, and control vested in him by the National Security Act. He is assisted by the Deputy Secretary of Defense, eight Assistant Secretaries of Defense, the general counsel, the Joint Chiefs of Staff, and such special assistants as are required, including the chairman of the military liaison committee to the Atomic Energy Commission, and the Director of Guided Missiles.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,369	1,323	1,254
Full-time equivalent of all other positions	12	15	15
Average number of all employees	1,328	1,315	1,261
Number of employees at end of year	1,359	1,299	1,299
Average GS grade and salary	9.4 $7,274	9.6 $7,447	9.6 $7,606
01 Personal services:			
Permanent positions	$9,708,228	$9,885,640	$9,643,765
Positions other than permanent	129,604	192,400	192,400
Other personal services	228,149	279,960	280,335
Total personal services	10,065,981	10,358,000	10,116,500
02 Travel	701,159	750,000	870,000
03 Transportation of things	4,353	5,800	5,800
04 Communication services	276,902	274,900	272,500
05 Rents and utility services	4,186	4,600	4,600
06 Printing and reproduction	187,923	205,600	196,700
07 Other contractual services	1,834,022	2,961,100	3,403,100
08 Supplies and materials	170,528	173,200	172,000
09 Equipment	209,928	201,300	184,200
11 Grants, subsidies, and contributions		617,000	626,100
13 Refunds, awards, and indemnities	29,505	40,000	40,000
15 Taxes and assessments	6,653	8,500	8,500
Total obligations	13,491,140	15,600,000	15,900,000

OFFICE OF PUBLIC AFFAIRS

SALARIES AND EXPENSES

For salaries and expenses necessary for the Office of Public Affairs, [$450,000] *$500,000.* (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$450,000** Estimate 1959, **$500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Public information (total obligations)	$446,821	$450,000	$500,000
Financing:			
Unobligated balance no longer available	3,179		
Appropriation (new obligational authority)	450,000	450,000	500,000

Provision is made for services concerned directly with the preparation and dissemination of material to inform the public on military policies and operations. This includes the protection of security of certain military data released through public information media, the accreditation of press personnel to visit military installations, liaison with national organizations, and the handling of requests from the public for Department of Defense speakers, for participation of military units, and display of military exhibits at public events.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	56	58	58
Average number of all employees	55	52	58
Number of employees at end of year	54	58	58
Average GS grade and salary	8.7 $6,438	8.2 $6,132	8.2 $6,245
01 Personal services:			
Permanent positions	$357,722	$326,930	$360,605
Other personal services	7,400	8,870	8,895
Total personal services	365,122	335,800	369,500
02 Travel	7,749	10,000	12,000
03 Transportation of things	397	500	500
04 Communication services	28,226	30,000	30,000
05 Rents and utility services	8		
06 Printing and reproduction	11,149	12,000	12,000
07 Other contractual services	8,617	13,000	13,000
08 Supplies and materials	18,392	20,000	25,000
09 Equipment	6,855	7,500	14,000
11 Grants, subsidies, and contributions		20,600	23,400
13 Refunds, awards, and indemnities	200	500	500
15 Taxes and assessments	106	100	100
Total obligations	446,821	450,000	500,000

ADVANCED RESEARCH PROJECTS AGENCY

SALARIES AND EXPENSES

For expenses necessary for the Advanced Research Projects Agency, including acquisition and construction of such research, development and test facilities, and equipment as may be authorized by the Secretary of Defense, $340,000,000, to remain available until expended: Provided, That such amounts as may be determined by the Secretary of Defense may be transferred from this appropriation to any appropriation for military functions under the Department of Defense to be merged with and to be available for the same purposes and for the same time period as the appropriation to which transferred.

Estimate 1959, **$340,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Research and development of advanced systems (total obligations)			$300,000,000
Financing:			
Unobligated balance carried forward			40,000,000
Appropriation (new obligational authority)			340,000,000

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OFFICE OF THE SECRETARY OF DEFENSE—Con.

Current authorizations—Continued

ADVANCED RESEARCH PROJECTS AGENCY—Continued

SALARIES AND EXPENSES—continued

This appropriation provides the Secretary of Defense with funds to support programs of an advanced type having military significance such as antimissile missile systems, satellites and other space vehicle systems, and other advanced programs. Specific activities may include studies, research, component and system development, testing, construction of facilities and necessary land acquisition, and such other activities as may be determined by the Secretary of Defense. These programs will be administered directly by the Department of Defense Advanced Research Projects Agency although implementation of specific projects may be assigned to a military department to utilize, on a reimbursable basis or otherwise, specialized competence or facilities which may be available. Funds for this appropriation in 1958 are to be derived by transfer from available appropriations of the Department as shown at the end of this section under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
Undistributed			$300,000,000

Proposed for later transmission:

ADVANCED RESEARCH PROJECTS AGENCY

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Research and development of advanced systems (total obligations)		$10,000,000	
Financing:			
Proposed transfer from "Operation and maintenance," Army (adjusted appropriation)		10,000,000	

Under existing legislation, 1958.—In order to provide initial funding of the Advanced Research Projects Agency of the Department of Defense it is proposed to request authority to transfer $10 million from annual appropriations of the Department and to request additional authority to transfer to the agency from other appropriations unexpended balances available for programs related to those to be conducted by the agency.

INTERSERVICE ACTIVITIES

Current authorizations:

CLAIMS

For payment of claims by the Office of the Secretary of Defense, the Army (except as provided in appropriations for civil functions administered by the Department of the Army), Navy, Marine Corps, and Air Force, as authorized by law; claims (not to exceed $1,000 in any one case) for damages to or loss of private property incident to the operation of Army and Air National Guard camps of instruction, either during the stay of units of said organizations at such camps or while en route thereto or therefrom; claims for damages arising under training contracts with carriers; and repayment of amounts determined by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, or officers designated by them, to have been erroneously collected from military and civilian personnel of the Departments of the Army, Navy, and Air Force or from States, Territories, or the District of Columbia, or members of National Guard units thereof; [$12,000,000] *$18,620,000.* (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$12,000,000** Estimate 1959, **$18,620,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Personnel claims	$4,647,937	$5,600,000	$7,782,000
2. Tort claims	4,451,588	8,508,000	10,146,000
3. Admiralty claims	304,793	865,000	665,000
4. Other miscellaneous claims	15,490	27,000	27,000
Total obligations	9,419,808	15,000,000	18,620,000
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−400,000	−3,000,000	
Unobligated balance no longer available	1,980,192		
Appropriation (new obligational authority)	11,000,000	12,000,000	18,620,000

This consolidated estimate provides for military and civilian personnel claims covering private property lost, destroyed, abandoned, or damaged in the military service, for tort claims, foreign claims, claims compromised by the Attorney General, claims arising from the correction of military and naval records, and the repayment of erroneous collections. The expanded military program in recent years has materially increased the number of claims, especially those types of claims arising from military activities in foreign countries.

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$9,419,808	$15,000,000	$18,620,000

CONTINGENCIES

For emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense and such expenses may be accounted for solely on his certificate that the expenditures were necessary for confidential military purposes, $30,000,000: *Provided,* That a report of disbursements under this item of appropriation shall be made quarterly to the Appropriations Committees of the Congress. (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$30,000,000** Estimate 1959, **$30,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Emergency and extraordinary expenses (total obligations)	$7,972,521	$30,000,000	$30,000,000
Financing:			
Unobligated balance no longer available	24,527,479		
Appropriation (new obligational authority)	32,500,000	30,000,000	30,000,000

This appropriation provides the Secretary of Defense with funds to meet emergencies and extraordinary expenses arising in connection with the national security and for such other purposes he deems proper.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Undistributed	$7,972,521	$30,000,000	$30,000,000

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Emergency Fund

For transfer by the Secretary of Defense, with the approval of the Bureau of the Budget, to any appropriation for military functions under the Department of Defense available for [research and] *research*, development, *test, and evaluation*, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred, $85,000,000, and in addition not to exceed $50,000,000 to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designated. (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$85,000,000** Estimate 1959, **$85,000,000**
Appropriated (adjusted) 1958, **$38,374,200**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Research and development contingencies (reserve for transfer)		$38,374,200	$85,000,000
Financing:			
Unobligated balance transferred to "Research and development," Navy (70 Stat. 456)	$13,000,000		
Unobligated balance transferred from "Construction of ships," Navy (70 Stat. 456)	−13,000,000		
Unobligated balance no longer available	11,727,972		
New obligational authority	11,727,972	38,374,200	85,000,000
New obligational authority:			
Appropriation	$85,000,000	$85,000,000	$85,000,000
Transferred (70 Stat. 456 and 71 Stat. 313) to—			
"Research and development," Army	−22,673,528	−45,100,000	
"Research and development," Navy	−36,630,000	−23,338,800	
"Research and development," Air Force	−13,968,500		
Transferred (71 Stat. 313) from—			
"Reserve personnel, Navy"		2,732,000	
"Military personnel, Marine Corps"		13,551,000	
"Civil engineering," Navy		3,630,000	
"Servicewide operations," Navy		1,900,000	
Appropriation (adjusted)	11,727,972	38,374,200	85,000,000

This appropriation enables the Secretary of Defense to supplement the regular appropriations of the Department of Defense available for research and development in order to defray the costs of preliminary exploitation of new developments and other such contingencies.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Undistributed		$38,374,200	$85,000,000

Retired Pay

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the reserve components thereof; retainer pay for personnel of the inactive Fleet Reserve, and payments under the Uniformed Services Contingency Option Act of 1953; [$555,000,000] *$600,000,000.* (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$555,000,000** Estimate 1959, **$600,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Nondisability	$265,257,260	$301,000,000	$338,662,000
2. Temporary disability	21,976,832	21,795,000	20,584,000
3. Permanent disability	180,680,116	184,677,000	188,103,000
4. Fleet Reserve	41,734,232	45,925,000	50,625,000
5. Survivors' benefits	1,135,569	1,603,000	2,026,000
Total obligations	510,784,009	555,000,000	600,000,000
Financing:			
Unobligated balance no longer available	$4,215,991		
Appropriation (new obligational authority)	515,000,000	$555,000,000	$600,000,000

This estimate includes funds for the pay of all military personnel on the retired lists of the Department of Defense and represents the consolidated requirements of the military departments for (1) payments to retired officers and enlisted personnel of the Army, Navy, Marine Corps, and Air Force; (2) the retainer pay of regular enlisted personnel of the Fleet Reserve of the Navy and Fleet Marine Corps Reserve; and (3) survivors' benefits payable under the Uniformed Services Contingency Option Act of 1953. The amount requested is exclusive of any administrative expense. The more liberal retirement laws result in a significant increase to the retired rolls. The following tabulation shows the average number of personnel on the rolls during 1957 compared with the estimated number for 1958 and 1959:

	Actual average number, 1957	*Estimated average number, 1958*	*Estimated average number, 1959*
Type of retirement:			
Nondisability	91,819	102,923	114,566
Temporary disability	12,115	11,887	11,207
Permanent disability	65,743	67,909	70,108
Fleet Reserve	21,583	23,734	26,164
Survivors' benefits	949	1,295	1,635
Total	192,209	207,748	223,680

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$510,784,009	$555,000,000	$600,000,000

Court of Military Appeals

For salaries and expenses necessary for the Court of Military Appeals, [$375,000] *$380,000.* (*Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$375,000** Estimate 1959, **$380,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Military justice (total obligations)	$330,777	$375,000	$380,000
Financing:			
Unobligated balance no longer available	44,223		
Appropriation (new obligational authority)	375,000	375,000	380,000

The U. S. Court of Military Appeals serves as the court of last resort for all of the more serious court-martial convictions of military personnel. Cases docketed in 1956 and 1957 totaled 1,599 and 1,435. Approximately 1,695 cases are anticipated for this year, and 1,600 in 1959. The court's review has been completed in 97% of the cases filed.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	42	43	43
Average number of all employees	40	42	43
Number of employees at end of year	39	43	43

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INTERSERVICE ACTIVITIES—Continued

Current authorizations—Continued

COURT OF MILITARY APPEALS—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average GS grade and salary	7.6 $5,814	8.0 $6,021	8.0 $6,116
01 Personal services:			
Permanent positions	$295,455	$309,780	$318,665
Other personal services	51	1,720	1,735
Total personal services	295,506	311,500	320,400
02 Travel	4,105	8,500	5,000
04 Communication services	7,545	8,000	8,000
06 Printing and reproduction	8,757	9,000	9,000
07 Other contractual services	4,198	5,800	5,000
08 Supplies and materials	3,342	4,000	4,000
09 Equipment	6,968	8,000	7,000
11 Grants, subsidies, and contributions		19,300	20,700
13 Refunds, awards, and indemnities		500	500
15 Taxes and assessments	356	400	400
Total obligations	330,777	375,000	380,000

[LORAN STATIONS]

[For construction of additional loran stations by the Coast Guard, to remain available until expended, $5,500,000, which shall be transferred on approval of the Secretary of Defense to the appropriation, "Acquisition, construction, and improvements", Coast Guard.] *(Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$5,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)	$5,450,000	$5,500,000	
Financing:			
Appropriation (new obligational authority)	5,450,000	5,500,000	

Provision has been made for advances to the Coast Guard for construction of additional loran stations in areas essential to the defense of the United States. Loran transmitting stations permit safe and effective operation of Navy and Air Force ships and aircraft in all kinds of weather, day or night, by an electronic system of navigation which provides continuous navigational positions by means of intersecting lines of position.

An additional amount anticipated for loran stations is included under the heading "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services: Services performed by other agencies	$5,450,000	$5,500,000	

[UNITED STATES SCIENTIFIC SATELLITE]

[For necessary expenses for the United States Scientific Satellite, $34,200,000, to be derived by transfer from such annual appropriations available to the Department of Defense as may be determined by the Secretary of Defense, to remain available until expended: *Provided*, That within thirty days after the end of each quarter the Secretary of Defense shall render to the Committees on Appropriations of the Senate and the House of Representatives a full report of the transfers made pursuant to this authority.] *(Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$0**
Appropriated (adjusted) 1958, **$34,200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Contributions to scientific satellite program (total obligations)		$34,200,000	
Financing:			
New obligational authority		34,200,000	
New obligational authority:			
Appropriation		$0	
Transferred (71 Stat. 428) from—			
"Military personnel, Navy"		8,000,000	
"Navy personnel, general expenses"		2,000,000	
"Military personnel, Marine Corps"		7,000,000	
"Reserve personnel, Marine Corps"		700,000	
"Marine Corps troops and facilities"		5,000,000	
"Ordnance and facilities," Navy		6,000,000	
"Servicewide supply and finance," Navy		5,500,000	
Appropriation (adjusted)		34,200,000	

This appropriation provided the Secretary of Defense with transfer authority to derive funds from available annual appropriations made to the Department of Defense to meet expenses of Defense participation in the scientific satellite project, a part of the national scientific effort related to the International Geophysical Year.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Undistributed		$34,200,000	

INTERSERVICE ACTIVITIES MISCELLANEOUS ACCOUNTS

Appropriations to the Department of Defense for "Access roads", and "Family housing", shall not be available for obligation after June 30, 1958.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. National defense access roads	$423,076	$2,027,163	
2. Construction of ships	1,375,471	4,650,000	$4,500,000
3. Family housing	3,133,921	562,000	
Total obligations	4,932,468	7,239,163	4,500,000
Financing:			
Unobligated balance brought forward	−20,525,708	−15,593,240	−5,605,495
Unobligated balance carried forward	15,593,240	5,605,495	1,105,495
Unobligated balance rescinded (1959 appropriation act)		2,748,582	
Appropriation (new obligational authority)			

The balances of two of these 1955 appropriations are recommended for rescission, as their purposes have been accomplished.

1. *National defense access roads.*—The Secretary of Defense advanced funds to the Bureau of Public Roads, Department of Commerce, for the construction of access roads important to the national defense pursuant to section 6 of the Defense Highway Act of 1941 and section 12 of the Federal Aid Highway Act of 1950.

2. *Construction of ships.*—This program provided for the construction of commercial-type ships and high-speed tankers to meet requirements of the Military Sea Transportation Service which could not be satisfied from existing sources.

3. *Family housing.*—The Secretary of Defense was authorized to make available to the respective military

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departments funds for military family housing where he had determined that (1) it was impracticable to construct family housing under the provisions of title VIII of the National Housing Act, (2) adequate housing at reasonable rental rates was not available in the immediate vicinity of the military installations, and (3) it was impracticable to acquire suitable housing under other existing provisions of law.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	167	45	1
Full-time equivalent of all other positions	3	4	2
Average number of all employees	150	48	3
Number of employees at end of year	56	5	2
Average GS grade and salary	7.7 $5,618	7.7 $5,645	8.0 $6,100
01 Personal services:			
Permanent positions	$801,693	$262,732	$5,465
Positions other than permanent	7,179	12,455	5,635
Other personal services	37,849	3,513	900
Total personal services	846,721	278,700	12,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
02 Travel	$27,648	$4,000	$300
03 Transportation of things	30	1,000	800
04 Communication services	459	300	100
05 Rents and utility services	1,582	5,000	100
06 Printing and reproduction	1,281	100	
07 Other contractual services	2,059,361	1,362,200	3,550,000
08 Supplies and materials	10,050	12,000	12,000
09 Equipment	686,028	3,502,000	1,001,000
10 Lands and structures	1,299,308	2,055,963	
11 Grants, subsidies, and contributions		17,900	700
Subtotal	4,932,468	7,239,163	4,577,000
Deduct portion of foregoing obligations originally charged to object class 10			77,000
Total obligations	4,932,468	7,239,163	4,500,000
Obligations are distributed as follows:			
"Access roads," Department of Commerce	$423,076	$2,027,163	
"Construction of ships," Department of the Navy	1,375,471	4,650,000	$4,500,000
"Family housing":			
Department of the Army	1,199,085	210,000	
Department of the Navy	669,271	132,000	
Department of the Air Force	1,265,565	220,000	

Informational Foreign Currency Schedules

Foreign currencies for construction of family housing for Department of Defense personnel stationed abroad

Program and Financing

	FOREIGN CURRENCY (IN DOLLARS)			AMOUNTS INCLUDED IN MILITARY CONSTRUCTION APPROPRIATIONS			TOTAL		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Program by activities:									
Military family quarters:									
Austria (prefabs for Morocco)		$8,800,000						$8,800,000	
Finland (prefabs for Morocco)			$4,000,000						$4,000,000
Italy	$6,816	9,000,000					$6,816	9,000,000	
Japan	7,570,992	9,429,000			$200,000		7,570,992	9,629,000	
Morocco (prefabs from Austria)					1,415,000			1,415,000	
Morocco (prefabs from Finland)						$1,300,000			1,300,000
Spain	170,814	12,030,000	3,800,000	$1,197,569	455,000		1,368,383	12,485,000	3,800,000
United Kingdom	12,201,632	21,000,000	1,680,000				12,201,632	21,000,000	1,680,000
Total obligations	19,950,254	60,259,000	9,480,000	1,197,569	2,070,000	1,300,000	21,147,823	62,329,000	10,780,000
Financing:									
Unobligated balance brought forward	41,532,143	44,075,641	5,016,641		1,800,000	185,000	41,532,143	45,875,641	5,201,641
Unobligated balance carried forward	−44,075,641	−5,016,641	−16,641	−1,800,000	−185,000		−45,875,641	−5,201,641	−16,641
Additional authorization to expend	22,493,752	21,200,000	4,480,000	2,997,569	455,000	1,115,000	25,491,321	21,655,000	5,595,000
Financing applied to program	19,950,254	60,259,000	9,480,000	1,197,569	2,070,000	1,300,000	21,147,823	62,329,000	10,780,000

NOTE.—This schedule excludes the acquisition of housing in France through surplus commodity barter transactions (69 Stat. 350) which are as follows: 1957, $456,750; 1958, $24,543,250; and 1959, $25,000,000.

Not to exceed the equivalent of $250 million (70 Stat. 1017) of the proceeds in foreign currencies obtained from the sale of surplus agricultural commodities, pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454), is authorized to be used to provide family housing facilities for the use of Department of Defense personnel stationed abroad (68 Stat. 1125). Such housing is not owned by the Department but is available under leasing agreements for assignment by the Department as public quarters. Quarters allowances forfeited by military occupants and rents collected from civilian occupants are used, after deducting amounts required to maintain and operate the housing, to reimburse the Commodity Credit Corporation for the dollar equivalent of the foreign currencies used to obtain the housing. In addition to the foreign currencies, funds not in excess of 25% of the total cost of obtaining the use of a housing project may be appropriated as are necessary to supplement the foreign currencies in order to obtain the required housing (70 Stat. 1017).

Operating results.—Revenue, expense, and net income are as follows:

Revenue, Expense, and Net Income

	1957 actual	1958 estimate	1959 estimate
Revenue:			
Military family quarters, quarters allowances:			
France			$1,350,000
Italy			266,000
Japan		$1,090,000	1,375,000
Spain		27,000	207,500
United Kingdom		1,595,000	1,815,000
Morocco			54,000
Total revenue from quarters allowances		2,712,000	5,067,500
Military family quarters, rentals:			
Italy			5,000
Japan		50,000	60,000
Spain		1,000	10,000
United Kingdom		50,000	60,000
Morocco			5,000
Total revenue from rentals		101,000	140,000
Total revenue		2,813,000	5,207,500
Expense:			
Operation and maintenance of facilities:			
France			825,000
Italy			162,250
Japan		660,000	840,000
Spain		16,500	126,800

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INTERSERVICE ACTIVITIES—Continued

Current authorizations—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULES—Continued

Revenue, Expense, and Net Income—Continued

	1957 actual	1958 estimate	1959 estimate
Expense—Continued			
Operation and maintenance of facilities—Continued			
United Kingdom		$977,500	$1,108,000
Morocco			33,000
Total expense		1,654,000	3,095,050
Net operating income applicable in reduction of debt to Commodity Credit Corporation		1,159,000	2,112,450

Indebtedness.—Amounts due Commodity Credit Corporation are computed as follows:

Statement of Indebtedness

	1957 actual	1958 estimate	1959 estimate
Amounts due Commodity Credit Corporation:			
Unpaid balance, beginning of year		$15,895,396	$70,495,396
Additional amounts applied on construction:			
From foreign currencies	$15,895,396	45,000,000	25,000,000
From barter transactions		10,000,000	20,000,000
Total due Commodity Credit Corporation for amounts applied on construction	15,895,396	70,895,396	115,495,396
Less repayments made to Commodity Credit Corporation		−400,000	−1,650,000
Balance due Commodity Credit Corporation	15,895,396	70,495,396	113,845,396

Because of time lag in settlement, $759,000 will be on hand June 30, 1958, and $1,221,450 June 30, 1959, available for payments to Commodity Credit Corporation in the following years.

Goods and services provided by foreign governments and available free to supplement appropriations to the Department of Defense

VALUE OF GOODS AND SERVICES PROVIDED BY THE FEDERAL REPUBLIC OF GERMANY AND THE BERLIN MAGISTRAT (FOR OCCUPATION COSTS AND MANDATORY EXPENDITURES)

Program and Financing—Without Purchase

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to—			
"Military personnel," Army:			
Movements, permanent change of station	$4,411,230		
"Operation and maintenance," Army:			
Tactical forces	73,830,558	$23,534,000	
Training activities	2,583,401	656,000	
Central supply activities	28,170,357	8,364,000	
Major overhaul and maintenance of material	8,728,829	1,681,000	
Medical activities	9,257,497	2,870,000	
Armywide activities	12,722,609	3,895,000	
"Military construction," Army:			
Overseas construction	1,826,781	1,487,000	
"Ships and facilities," Navy	24,644	28,000	
"Operation and maintenance," Air Force:			
Logistical support	230,732		
Operational support	26,816,010	8,000,000	
Medical support	957,365		
Servicewide support	300,755		
"Military personnel," Air Force:			
Movements, permanent change of station	352,170		
"Claims," Department of Defense	400,000	3,000,000	
"Reserve for claims"		5,600,000	
Unapplied costs	−2,794,536	759,290	
Value of goods and services provided by foreign governments without charge to appropriations	167,818,402	59,874,290	

Object Classification—Without Purchase

	1957 actual	1958 estimate	1959 estimate
Object distribution of goods and services provided by foreign governments:			
02 Travel	$5,131,971	$294,000	
03 Transportation of things	1,192,001	915,000	
04 Communication services	633,789	197,000	
05 Rents and utility services	2,074,738	403,000	
06 Printing and reproduction	1,000		
07 Other contractual services	6,966,230	6,404,290	
Labor provided by Federal Republic of Germany [1]	137,660,217	40,727,000	
08 Supplies and materials	10,729,861	1,167,000	
09 Equipment	1,828,073	324,000	
10 Lands and structures	1,153,522	829,000	
13 Refunds, awards, and indemnities	447,000	8,614,000	
Total object distribution of goods and services provided by foreign governments without charge to appropriation	167,818,402	59,874,290	

[1] Average number of foreign nationals rendering services under contract 1957, 96,261; 1958, 28,388.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation "Mutual security," funds appropriated to the President.

Public enterprise funds:

ACQUISITION, REHABILITATION, AND RENTAL OF WHERRY ACT HOUSING

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Interest expense	$42,778	$7,027,600	$16,000,000
2. Mortgage insurance payments	6,311	750,000	1,835,000
Total operating costs, funded	49,089	7,777,600	17,835,000
Capital outlay:			
3. Acquisition of housing:			
Mortgages assumed	6,435,325	312,579,000	136,725,400
Value of sponsors' equity	851,000	30,481,000	14,981,000
Other acquisition costs	2,592	3,687,600	958,000
4. Alterations, improvements, rehabilitation and repairs		15,000,000	60,000,000
Total capital outlay	7,288,917	361,747,600	212,664,400
Deduct costs included above financed by assumption of mortgage indebtedness and sponsors' equity	7,265,278	307,533,202	129,945,400
Total capital outlay, funded	23,639	54,214,398	82,719,000
Total program costs, funded	72,728	61,991,998	100,554,000
Relation of costs to obligations: Obligations incurred for costs of other years (unperformed contracts), net	33,100	9,966,900	
Total program (obligations)	105,828	71,958,898	100,554,000
Financing:			
Amounts becoming available:			
New obligational authority (reappropriation from other Department of Defense accounts (70 Stat. 1112))	75,000,000		50,000,000
Receipts from operations		19,106,500	50,150,000
Total amounts becoming available	75,000,000	19,106,500	100,150,000
Unobligated balance brought forward		74,894,172	22,041,774
Total amounts available	75,000,000	94,000,672	122,191,774
Unobligated balance carried forward	−74,894,172	−22,041,774	−21,637,774
Financing applied to program	105,828	71,958,898	100,554,000

This fund finances the acquisition costs, mortgage payments and initial alteration, improvement, rehabilitation, and repair of certain family units of Wherry Act housing (70 Stat. 1111–1112).

Budget program.—The budget program contemplates acquisition of 40,522 units of Wherry family housing costing $346.7 million in 1958 and 18,638 units costing $152.7 million in 1959. Acquisition of Wherry Act housing is mandatory at installations where the construction of housing under the armed services housing mortgage insurance program (Capehart housing) has been

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approved by the Secretary of Defense and is permissive in all other cases. Approvals to date and anticipated approvals of Capehart housing in 1958 and 1959 will necessitate the acquisition of approximately 48,000 units of Wherry Act housing.

Although the estimated number of units to be acquired in 1959 is less than half those estimated in 1958, obligations are expected to increase due to the large number of units to be rehabilitated in 1959 (12,500 units in 1958 and 30,000 units in 1959).

Financing the budget program.—This program is funded from reappropriations, rentals, and, where the housing is assigned as public quarters, from payments from appropriations for pay and allowances of military personnel in amounts equal to the quarters allowances to which the occupants would otherwise be entitled. The cost of maintaining and operating the housing is financed from the military operation and maintenance appropriations. Mortgage indebtedness assumed in acquiring the housing is reflected in the schedules.

A reappropriation of $50 million is estimated in 1959 pursuant to the authority in section 512 of the Housing Act of 1956. Income from quarters allowances and rentals is expected to increase from an estimated $19.1 million in 1958 to approximately $50.2 million in 1959.

Operating results and financial condition.—Net budget expenditures of $40 million and $55 million are expected in 1958 and 1959, respectively, since outlays for acquisition of sponsors' equities, mortgage payments, rehabilitation, and other costs will substantially exceed the amounts available from quarters allowances and rentals. Operating income is expected to exceed operating expenses paid from the fund by an estimated $11.3 million in 1958 and $32.3 million in 1959. This income is available for financing the acquisition and rehabilitation of additional units as well as for payments of operating expenses. The schedules do not reflect depreciation or operation and maintenance costs. Government investment is estimated at $168.6 million at June 30, 1959, consisting of $125 million in reappropriations and $43.6 million in retained earnings.

Relation of costs to obligations.—The year-end balances of unperformed contracts (for rehabilitation) are as follows: 1957, $33,100; 1958, $10,000,000; 1959, $10,000,000.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$49,089	$7,777,600	$17,835,000
Capital outlay	23,639	54,214,398	82,719,000
Increase in selected working capital			4,596,000
Total gross expenditures	72,728	61,991,998	105,150,000
Receipts from operations (funds provided):			
Revenue		19,106,500	50,150,000
Decrease in selected working capital	2,057	2,885,498	
Total receipts from operations	2,057	21,991,998	50,150,000
Budget expenditures	70,671	40,000,000	55,000,000

Revenue, Expense, and Retained Earnings

Revenue		$19,106,500	$50,150,000
Expense	$49,089	7,777,600	17,835,000
Net income or loss (−) for the year	−49,089	11,328,900	32,315,000
Retained earnings or deficit (−), beginning of year		−49,089	11,279,811
Retained earnings or deficit (−), end of year	−49,089	11,279,811	43,594,811

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$74,929,329	$34,929,329	$29,929,329
Accounts receivable, net		1,900,000	4,500,000
Land, structures, and equipment:			
Acquisition cost	7,288,917	354,036,517	506,700,917
Alterations, improvements, rehabilitation, and repair		15,000,000	75,000,000
Total assets	82,218,246	405,865,846	616,130,246
Liabilities:			
Current liabilities	2,057	4,288,505	1,708,455
Mortgage payments accrued:			
Principal		175,000	341,600
Interest		292,800	665,000
Mortgage insurance		31,250	76,500
Mortgages and equity	7,265,278	314,798,480	444,743,880
Total liabilities	7,267,335	319,586,035	447,535,435
Government investment:			
Principal of fund:			
Start of year		75,000,000	75,000,000
Reappropriations during year	75,000,000		50,000,000
End of year	75,000,000	75,000,000	125,000,000
Retained earnings or deficit (−)	−49,089	11,279,811	43,594,811
Total Government investment	74,950,911	86,279,811	168,594,811

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury		$74,929,329	$34,929,329	$29,929,329
Obligated balance, net:				
Current liabilities		2,057	4,288,505	1,708,455
Mortgage payments accrued			499,050	1,083,100
Unperformed contracts		33,100	10,000,000	10,000,000
Accounts receivable, net (−)			−1,900,000	−4,500,000
Total obligated balance		35,157	12,887,555	8,291,555
Unobligated balance		74,894,172	22,041,774	21,637,774

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$6,311	$750,000	$1,835,000
10	Lands and structures	23,639	54,214,398	82,719,000
14	Interest	42,778	7,027,600	16,000,000
	Total accrued expenditures	72,728	61,991,998	100,554,000
	Increase in unpaid undelivered orders	33,100	9,966,900	
	Total obligations	105,828	71,958,898	100,554,000

Proposed for later transmission:

LORAN STATIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)			$20,000,000
Financing:			
Proposed transfer from "Marine Corps stock fund"			20,000,000

Under proposed legislation, 1959.—Legislation will be proposed to provide for construction of additional loran stations, with funds to be provided by transfer.

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DEPARTMENT OF THE ARMY

Current authorizations:

MILITARY PERSONNEL

For pay, allowances, individual clothing, interest on deposits, and permanent change of station travel, for members of the Army on active duty (except those undergoing reserve training); expenses incident to movement of troop detachments, including rental of camp sites and procurement of utility and other services; expenses of apprehension and delivery of deserters, prisoners, and soldiers absent without leave, including payment of rewards (not to exceed $25 in any one case), and costs of confinement of military prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in an Army or contract prison (other than a disciplinary barracks) and to each person discharged for fraudulent enlistment; authorized issues of articles to prisoners, other than those in disciplinary barracks; subsistence of enlisted personnel, selective service registrants called for induction and applicants for enlistment while held under observation, and prisoners (except those at disciplinary barracks), or reimbursement therefor while such personnel are sick in hospitals; and subsistence of supernumeraries necessitated by emergent military circumstances; [$3,113,000,000] *$3,105,200,000,* and in addition, [$350,000,000] *$225,000,000,* to be derived by transfer from the Army Stock Fund [and $50,000,000 to be derived by transfer from the Army Industrial Fund]: *Provided,* That section 212 of the Act of June 30, 1932 (5 U. S. C. 59a), shall not apply to retired military personnel on duty at the United States Soldiers' Home: *Provided further,* That the duties of the librarian at the United States Military Academy may be performed by a retired officer detailed on active duty. (*10 U. S. C. 651, 711, 3066, 3201, 3205, 3209, 3210, 3212, 3213, 3281–88, 3295, 3310, 3311, 3442–45, 3447, 3448, 3491, 3531, 3536, 3572–74, 4353, 4533, 4561, 4562; 37 U. S. C. 21a–37, 111b, 231–238, 251–254, 305, 307–309, 314, 315; 38 U. S. C. 691a–g; 50 U. S. C. App. 2201–2216; Public Law 881, approved Aug. 1, 1956; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$3,113,000,000** Estimate 1959, **$3,105,200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Pay and allowances	$3,118,896,375	$3,002,600,000	$2,869,400,000
2. Subsistence in kind	231,709,207	217,758,000	197,521,000
3. Movements, permanent change of station	243,500,317	242,059,000	257,989,000
4. Other costs	4,833,938	5,583,000	5,290,000
Total obligations	3,598,939,837	3,468,000,000	3,330,200,000
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−4,411,230		
Unobligated balance transferred from—"Procurement and production," Army (71 Stat. 178)	−27,444,000		
"Army stock fund" (71 Stat. 313)		−350,000,000	−225,000,000
"Army industrial fund" (71 Stat. 313)		−50,000,000	
Obligations in excess of availability	−389,995		
Unobligated balance no longer available		45,000,000	
New obligational authority	3,566,694,612	3,113,000,000	3,105,200,000
New obligational authority:			
Appropriation	$3,566,704,000	$3,113,000,000	$3,105,200,000
Transferred to "National Library of Medicine," Public Health Service (70 Stat. 962)	−9,388		
Appropriation (adjusted)	3,566,694,612	3,113,000,000	3,105,200,000

The number of Army personnel provided for is shown in the following tables:

AVERAGE NUMBER

	1957 actual	*1958 estimate*	*1959 estimate*
Officers	116,263	106,400	102,200
Enlisted	884,617	830,100	773,800
Military Academy cadets	2,349	2,400	2,400
Total	1,003,229	938,900	878,400

YEAR-END NUMBER

	1957 actual	*1958 estimate*	*1959 estimate*
Officers	110,599	105,000	100,100
Enlisted	884,729	793,100	768,000
Military Academy cadets	1,751	1,900	1,900
Total	997,079	900,000	870,000

1. *Pay and allowances.*—This provides for the pay and allowances of military personnel including cadets at the U. S. Military Academy.

Provision is made for amounts otherwise available as quarters allowances to be paid (1) in an estimated amount of $5.7 million in 1958 and $14.6 million in 1959 to the revolving fund for "Acquisition, rehabilitation, and rental of Wherry Act housing," in cases where such housing is assigned as public quarters, and (2) as mortgage payments on Capehart housing.

The Capehart program authorized under title VIII of the National Housing Act, as amended (69 Stat. 646), provides for the acquisition of family housing built on military installations with financing obtained through mortgages which are insured by the Federal Housing Administration. These mortgages are amortized over a 25-year period from quarters allowances to which military personnel assigned to occupy these public quarters would otherwise be entitled and from rentals paid by civilian personnel whose duties require their occupancy of Government quarters. The following schedule indicates the payments from the quarters allowance portion of this appropriation to be applied to reduction of the principal obligations, to pay interest on the unpaid balance at 4% per annum, and to pay the insurance premiums on the mortgages.

	1957 actual	*1958 estimate*	*1959 estimate*
Mortgage indebtedness:			
Mortgage debt at start of year			$140,100,000
Amount of mortgages executed during year		$141,128,000	$117,800,000
Payments applied to reduce principal		−$1,028,000	−$4,100,000
Mortgage debt at end of year		$140,100,000	$253,800,000
Mortgage payments:			
Amortization of principal		$1,028,000	$4,100,000
Interest expense		$1,976,000	$7,906,000
Insurance premium expense		$124,000	$494,000
Total mortgage payments		$3,128,000	$12,500,000
Number of housing units:			
Beginning of year			9,105
Completed during year		9,105	7,600
End of year		9,105	16,705
Average occupied during year		3,272	12,955

In addition, provision is made for payment for proficiency advancements to selected enlisted personnel in critical-skill areas and for the Government's contribution to the Federal old-age and survivors' insurance trust fund under the Servicemen's and Veterans' Survivor Benefits Act. It also provides for purchase of individual clothing for initial issue to enlisted personnel and for replacement issues in Korea and for payment of clothing maintenance allowances to enlisted personnel. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission."

2. *Subsistence in kind.*—This provides for the purchase of food supplies for issue as rations to enlisted personnel and contract meals for applicants for enlistment and selective service registrants while held to determine fitness for service.

3. *Movements, permanent change of station.*—This provides for permanent change of station travel for individuals and groups of military personnel and their dependents, including dislocation and separation travel allowances, storage of household effects in commercial facilities, and transportation of personal property. Payment for travel services furnished by the Military Sea

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Transportation Service and (in 1959) by the Military Air Transport Service is included.

4. *Other costs.*—This provides for apprehension of deserters, absentees, and escaped military prisoners, payment of interest on soldiers' deposits, payment of death gratuities to beneficiaries of military personnel, and payment of premiums on servicemen's mortgage insurance.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Military	$2,995,269,875	$2,874,232,000	$2,735,602,000
02	Travel	189,095,474	186,836,600	197,509,000
03	Transportation of things	52,674,752	53,739,800	58,999,000
07	Other contractual services	43,951,851	41,975,400	39,468,000
08	Supplies and materials	290,631,040	264,758,800	254,127,000
11	Grants, subsidies, and contribution	27,845	26,400	24,000
12	Pensions, annuities, and insurance claims	2,053,000	2,567,000	2,355,000
14	Interest	1,324,000	1,450,000	1,300,000
15	Taxes and assessments	23,912,000	42,414,000	40,816,000
	Total obligations	3,598,939,837	3,468,000,000	3,330,200,000

Operation and Maintenance

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; information and educational services for the Armed Forces; recruiting expenses; subsistence of prisoners at disciplinary barracks, and of civilian employees as authorized by law; expenses of apprehension and delivery of prisoners escaped from disciplinary barracks, including payment of rewards not exceeding $25 in any one case, and expenses of confinement of such prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in a disciplinary barracks; military courts, boards, and commissions; authorized issues of articles for use of applicants for enlistment and persons in military custody; civilian clothing, not to exceed $30 in cost, to be issued each person upon each release from confinement in an Army or contract prison and to each soldier discharged for unsuitability, inaptitude, or otherwise than honorably, or sentenced by a civil court to confinement in a civil prison, or interned or discharged as an alien enemy; transportation services; communications services, including construction of communication systems; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools and facilities for twelve months beginning at any time during the current fiscal year; repair of facilities; utility services for buildings erected at private cost, as authorized by law (10 U. S. C. 4778), and buildings on military reservations authorized by Army regulations to be used for a similar purpose; purchase of ambulances; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; expenses of inter-American cooperation, as authorized for the Navy by law (10 U. S. C. 7208) for Latin-American cooperation; not to exceed [$5,371,000] *$5,445,000* for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; [$3,215,000,000: *Provided*, That during the fiscal year 1958 the maintenance, operation, and availability of the Army-Navy Hospital at Hot Springs National Park, Arkansas, to meet requirements of the military and naval forces shall be continued] *$3,040,000,000. (5 U. S. C. 43, 78, 946; 10 U. S. C. 2632, 3012, 3013, 3062, 4302, 4331–4355, 4382, 4385, 4386, 4505, 4536, 4741; 50 U. S. C. 78; 50 U. S. C. App. 761, 766; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$3,215,000,000** Estimate 1959, **$3,040,000,000**

Appropriation (adjusted) 1958, **$3,205,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Tactical forces	$855,226,369	$752,923,000	$732,200,000
2. Training activities	199,092,876	212,669,000	194,200,000
3. Central supply activities	1,022,997,528	998,355,000	967,900,000
4. Major overhaul and maintenance of materiel	281,173,203	304,422,000	289,900,000
5. Medical activities	149,444,834	167,607,000	153,100,000
6. Armywide activities	460,672,660	475,524,000	464,500,000
7. Army Reserve and Reserve Officers' Training Corps	74,620,773	97,500,000	90,400,000
8. Joint projects	127,320,535	149,000,000	147,800,000
Total direct obligations	3,170,548,778	3,158,000,000	3,040,900,000
Reimbursable obligations:			
1. Tactical forces	69,896,196	75,169,000	74,300,000
2. Training activities	13,611,804	14,895,000	15,300,000
3. Central supply activities	42,861,218	47,585,000	63,700,000
4. Major overhaul and maintenance of materiel	100,765,782	142,217,000	120,500,000
5. Medical activities	50,830,000	91,728,000	87,400,000
6. Armywide activities	9,604,000	13,723,000	13,500,000
7. Army Reserve and Reserve Officers' Training Corps	486,000	291,000	290,000
8. Joint projects	4,049,000	18,164,000	18,010,000
Total reimbursable obligations	292,104,000	403,772,000	393,000,000
Total obligations	3,462,652,778	3,561,772,000	3,433,000,000
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−135,293,251	−41,000,000	
Unobligated balance brought forward (69 Stat. 438)	−8,008,560	−63,162,650	−100,079,335
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Army accounts	−36,647,940	−163,928	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−25,049,609		
All other	−192,329,184	−271,807,000	−292,270,350
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−63,162,650	−98,452,757	
Advances and reimbursements from non-Federal sources	−54,981,552	−70,265,000	−70,000,000
Unobligated balance carried forward (69 Stat. 438)	63,162,650	100,079,335	69,349,685
Unobligated balance no longer available	47,721,250	88,000,000	
New obligational authority	3,058,063,932	3,205,000,000	3,040,000,000
New obligational authority:			
Appropriation	$3,055,057,000	$3,215,000,000	$3,040,000,000
Transferred (63 Stat. 589) from—			
"Operation and maintenance" Air Force	3,765,582		
"Marine Corps troops and facilities," Navy	100,000		
"Servicewide supply and finance," Navy	157,600		
Transferred to—			
"Salaries and expenses," Public Health Service (70 Stat. 962)	−21,000		
"National Library of Medicine," Public Health Service (70 Stat. 962)	−995,250		
"Salaries and expenses," Advanced Research Projects Agency (proposed)		−10,000,000	
Appropriation (adjusted)	3,058,063,932	3,205,000,000	3,040,000,000

NOTE.—Reimbursements from non-Federal sources are principally from the sale of goods and services to authorized individuals, and include such items as laundry services, subsistence of hospital patients, surcharges on commissary sales, and unofficial telephone service.

1. *Tactical forces.*—These include all active Army tactical forces such as missile commands, the Strategic Army Forces in the United States, forces overseas, and the Army Air Defense Command assisting in the air defense of the continental United States. Costs cover the support of these units and the installations at which they are stationed, the basic training of inductees and enlistees including the Reserve Forces Act of 1955 trainees, and the conduct of field exercises and unit tests. The 1959 program includes the support of 14 divisions and other major combat units and provides for the operation of additional missile commands and on-site missile battalions for the air defense program. Other types of units, such as anti-aircraft, gun battalions, are being decreased.

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DEPARTMENT OF THE ARMY—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

2. *Training activities.*—Provision is made for specialized training of military personnel in the Army school system, including combat arms, aviation and missile training, technical, administrative, and specialist schools and colleges; the operation of the U. S. Military Academy; tuition costs at civilian institutions; and costs of training aids and publications. The average student load is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Army schools	35,055	39,870	35,117
Army colleges	935	875	883
U. S. Military Academy	2,349	2,400	2,400

3. *Central supply activities.*—This covers the Army's supply distribution system, the administrative costs of procurement activities, the operation of supply management offices, the maintenance of standby industrial facilities to be activated in the event of mobilization, and the operation of port facilities in the United States and overseas. Provision is also made for the Army's share of the governmentwide cataloging and standardization programs. Costs include those attributable to the Army's responsibility as single manager for all phases of supply management and operation with respect to subsistence and to clothing and textiles and for traffic management for all military departments.

The supply distribution system comprises 45 supply depots in the United States and 37 overseas which receive, store, and issue Army supplies and equipment, including Army aviation materiel.

4. *Major overhaul and maintenance of materiel.*—Major items of equipment, including combat and support vehicles, Army aircraft, guided missiles, and ammunition, are overhauled and rebuilt at Army depots. Other equipment maintenance costs, including contracts with industry for technical assistance, are also provided. Provision is made for central procurement of guided missile, aircraft, and special weapons repair parts for worldwide issue. The program for 1959 reflects the increased emphasis on guided missiles and the expansion of Army aviation activities, and decreases in other types of materiel.

5. *Medical activities.*—This covers medical (including dental and veterinary) support of the Army, Army National Guard, Army Reserve, and Reserve Officers' Training Corps; operation and maintenance of medical facilities in the United States and overseas; medical care and hospitalization of Army personnel in localities where Army medical facilities are not available; medical care and hospitalization of civilian employees and their dependents in the Canal Zone; medical care of dependents of military personnel; and training of military personnel in medical specialties.

Provision is made for operation in the continental United States of 51 hospitals and 86 dispensaries. The average number of patients is indicated in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Patients in Army hospitals:			
Army, active duty	8,691	7,938	7,387
Dependents	3,695	3,487	3,399
Veterans Administration, Navy, Air Force, and others	2,642	2,612	2,583
Total average daily occupied beds	15,028	14,037	13,369
Army patients in other hospitals:			
Active duty, retired, and others (average daily occupied beds)	1,400	1,300	1,296
Dependents in other Federal hospitals	259	377	377
Dependents in civilian hospitals	479	1,220	1,187

6. *Armywide activities.*—This includes the following administrative-type activities:

	1957 actual	*1958 estimate*	*1959 estimate*
Major command headquarters:			
Departmental headquarters	$41,849,957	$43,760,000	$41,180,000
Headquarters technical services	41,416,228	41,476,000	38,700,000
Major field commands	90,689,850	91,172,000	88,088,000
Specialized services:			
Armywide communications services	68,999,944	54,000,000	57,670,000
Armywide finance services	21,280,561	21,362,000	21,000,000
Armywide audit services	15,799,220	16,200,000	15,410,000
Evaluation activities	57,460,901	83,987,000	86,538,000
Military surveys and maps	42,920,461	40,667,000	34,432,000
Other specialized services	80,255,538	82,900,000	81,482,000

7. *Army Reserve and Reserve Officers' Training Corps.*—Provision is made for the maintenance and operation of the U. S. Army Reserve and Reserve Officers' Training Corps; operation of military district and Army Corps (Reserve) headquarters; operation of training facilities for Army Reserve and Reserve Officers' Training Corps units at summer training camps, institutions, and home stations; and expenses for Army Reserve recruiting. This activity is related to the average strength in paid status of the U. S. Army Reserve.

8. *Joint projects.*—These are activities of a defensewide nature, for which the Department of the Army is assigned administrative responsibility. Included are such activities as the National War College, the Industrial College of the Armed Forces, the Joint Alternate Communications Center, certain joint headquarters in oversea areas, international activities, certain classified activities, and the Armed Forces information and education program.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY			
Total number of permanent positions	306,420	301,229	287,022
Full-time equivalent of all other positions	18,664	17,860	17,256
Average number of all employees	301,608	290,996	279,009
Number of employees at end of year	301,572	286,089	279,544
Average GS grade and salary	5.6 $4,529	5.6 $4,549	5.6 $4,567
Average salary of ungraded positions	$4,324	$4,339	$4,342
Personal service obligations:			
Permanent positions	$1,202,396,659	$1,170,309,508	$1,123,356,547
Positions other than permanent	19,341,402	18,008,955	17,616,138
Other personal services	37,084,199	35,745,537	35,585,315
Total personal service obligations	1,258,822,260	1,224,064,000	1,176,558,000
Direct obligations:			
01 Personal services	1,180,559,736	1,131,194,000	1,077,293,000
02 Travel	69,638,197	70,003,100	70,809,700
03 Transportation of things	200,353,841	203,787,600	203,308,300
04 Communication services	39,457,138	39,398,900	39,674,900
05 Rents and utility services	114,548,011	116,401,400	116,559,400
06 Printing and reproduction	18,523,806	19,264,700	19,461,300
07 Other contractual services	417,950,200	400,785,700	385,787,900
Services performed by other agencies	28,065,112	26,083,400	25,386,200
Labor contracts with other governments [1]	213,724,821	192,263,000	181,586,000
08 Supplies and materials	700,458,110	705,936,800	672,151,600
09 Equipment	172,675,126	172,780,800	172,569,000
10 Lands and structures	4,156,579	3,596,200	2,964,400
11 Grants, subsidies, and contributions	98,065	65,774,600	62,452,200
12 Pensions, annuities, and insurance claims	146,787	156,000	170,000
13 Refunds, awards, and indemnities	370,593	260,000	193,000
15 Taxes and assessments	5,407,419	5,674,800	5,106,100
Unvouchered	4,179,350	4,809,000	4,756,000
Subtotal	3,170,312,891	3,158,170,000	3,040,229,000
Deduct quarters and subsistence charges	156,431	170,000	229,000
Total direct obligations	3,170,156,460	3,158,000,000	3,040,000,000
Reimbursable obligations:			
01 Personal services	78,262,524	92,870,000	99,265,000
02 Travel	1,236,875	1,496,470	1,503,200
03 Transportation of things	4,014,664	4,619,400	20,156,800
04 Communication services	4,236,120	4,578,732	4,513,000
05 Rents and utility services	16,642,692	18,439,600	18,126,400
06 Printing and reproduction	1,761,840	1,850,200	1,863,200

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY—continued			
Reimbursable obligations—Continued			
07 Other contractual services	$62,578,036	$117,807,900	$104,865,800
Services performed by other agencies	37,385	42,700	42,000
Labor contracts with foreign governments [1]	3,837,999	4,281,500	4,446,000
08 Supplies and materials	111,352,798	129,512,298	108,876,100
09 Equipment	7,715,726	22,350,900	22,822,800
10 Lands and structures	367,414	397,200	397,200
11 Grants, subsidies, and contributions		5,439,800	6,046,000
15 Taxes and assessments	59,927	85,300	76,500
Total reimbursable obligations	292,104,000	403,772,000	393,000,000
Total, Department of the Army	3,462,260,460	3,561,772,000	3,433,000,000
ALLOCATION ACCOUNTS			
07 Other contractual services	96,869		
10 Lands and structures	295,449		
Total, allocation accounts	392,318		
Total obligations	3,462,652,778	3,561,772,000	3,433,000,000
Obligations are distributed as follows:			
Department of the Army	$3,462,260,460	$3,561,772,000	$3,433,000,000
Atomic Energy Commission	81,000		
Department of Commerce, Bureau of Public Roads	298,403		
Housing and Home Finance Agency	12,915		

[1] Average number of persons—1957, 163,387; 1958, 146,379; 1959, 136,000.

Reserve Personnel

For pay, allowances, clothing, subsistence, transportation, travel and related expenses, as authorized by law, for personnel of the Army Reserve while on active duty under section 265 of title 10, United States Code, or undergoing Reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps; subsistence for members of the Army Reserve for drills of eight or more hours' duration in any one calendar day; [$197,000,000: *Provided*, That $10,000,000 of the unobligated balance of the appropriation "Reserve Personnel, Army, 1957" shall remain available until June 30, 1958, and shall be merged with the appropriation "Reserve Personnel, Army" made by this Act] *$185,000,000. (10 U. S. C. 3076, 3221–23, 3540, 3687, 3688, 4382–87; 37 U. S. C. 232(e), 301; sec. 305, Public Law 351, 81st Cong.; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$197,000,000** Estimate 1959, **$185,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Reserve personnel	$163,999,861	$187,500,000	$168,700,000
2. Reserve Officers Training Corps	14,564,574	15,700,000	16,300,000
Total obligations	178,564,435	203,200,000	185,000,000
Financing:			
Unobligated balance no longer available	36,435,565	3,800,000	
New obligational authority	215,000,000	207,000,000	185,000,000
New obligational authority:			
Appropriation	$215,000,000	$197,000,000	$185,000,000
Reappropriation		10,000,000	

Provision is made for military personnel costs of training the Army Reserve and the Reserve Officers' Training Corps.

1. *Reserve personnel.*—Included are funds for military personnel costs of pay, travel, subsistence, and clothing. Provision is made for paid drills for members of organized units and staff and faculty of USAR schools. One mandatory tour of paid active duty for training is provided each year for members receiving drill pay and for mobilization designees and USAR school students who do not receive drill pay. School training is provided for selected members of the Ready Reserve. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission." The paid personnel strength is indicated in the following table:

ARMY RESERVE PERSONNEL STRENGTH

[In paid status]

	1956 actual	*1957 actual*	*1958 planned*	*1959 proposed*
End of year:				
Officers	77,300	84,200	82,000	85,000
Enlisted	138,200	226,000	231,000	254,000
Total	215,500	310,200	313,000	339,000
Average:				
Officers	74,000	78,000	82,000	84,900
Enlisted	117,000	190,000	234,000	257,000
Total	191,000	268,000	316,000	341,900

The composition of the Army Reserve by training category is indicated below:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	50,000	50,000	50,000
		Enlisted	220,000	220,000	220,000
0	15	Officers	27,400	31,600	31,600
		Enlisted	1,800	28,400	28,400
0	180	Officers	4,600	3,300	3,400
		Enlisted	9,200	8,600	5,600
		Total	313,000	341,900	339,000
		Officers	82,000	84,900	85,000
		Enlisted	231,000	257,000	254,000

2. *Reserve Officers Training Corps.*—Included are funds for advance course students for commutation in lieu of subsistence, pay for attendance at a 42-day summer camp, travel to and from summer camp, subsistence while attending camp, and individual clothing at institutions and summer camps. It is estimated that 13,000 second lieutenants will be commissioned from the end fourth year advanced enrollment. Details of the program and the average annual enrollment are summarized below:

Course	*1956 actual*	*1957 actual*	*1958 planned*	*1959 proposed*
Junior division	63,851	66,147	66,000	66,000
Senior division:				
1st year basic	61,733	65,865	66,000	66,000
2d year basic	41,327	43,287	45,000	45,000
Total basic	103,060	109,152	111,000	111,000
3d year advanced	15,482	15,408	15,000	15,000
4th year advanced	13,541	14,009	14,000	13,500
Total advanced	29,023	29,417	29,000	28,500
Total senior division	132,083	138,569	140,000	139,500

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services: Military	$140,572,147	$159,000,000	$146,000,000
02 Travel	15,199,668	19,650,000	18,300,000
08 Supplies and materials	22,667,620	24,300,000	20,400,000
12 Pensions, annuities, and insurance claims	125,000	250,000	300,000
Total obligations	178,564,435	203,200,000	185,000,000

Army National Guard

For pay, allowances, clothing, subsistence, transportation, and travel, as authorized by law, for personnel of the Army National Guard while on duty under section 265 of title 10, United States Code, or while undergoing training or while performing drills or equivalent duties; expenses of training, organizing and administering the Army National Guard, including maintenance, operation, and alterations to structures and facilities; hire of passenger motor vehicles; personal services in the National Guard Bureau and services of personnel of the National Guard employed as civilians without regard to their military rank, and the number of caretakers authorized to be employed under provisions of law (32 U. S. C. 709)

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DEPARTMENT OF THE ARMY—Continued

Current authorizations—Continued

ARMY NATIONAL GUARD—Continued

may be such as is deemed necessary by the Secretary of the Army; subsistence for officers attending drills of eight or more hours' duration in any one calendar day; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard of the several States, Territories, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); [$333,800,000] *$298,000,000: Provided,* That obligations may be incurred under this appropriation for training of units designated for early deployment under mobilization plans and for installation, maintenance, and operation of facilities for antiaircraft defense without regard to section 107 of title 32, United States Code. *(10 U. S. C. 311; 32 U. S. C. 104, 106–108, 315, 318–322, 502–506, 706–710, 713; 37 U. S. C. 232(e), 301; sec. 30–31, Public Law 1028, 84th Cong.; sec. 305, Public Law 351, 81st Cong.; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$333,800,000** Estimate 1959, **$298,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Military personnel	$174,277,462	$194,800,000	$172,040,000
2. Command and management	1,503,285	1,500,000	1,460,000
3. Training	2,523,095	2,600,000	2,500,000
4. Materiel	8,549,408	7,300,000	6,400,000
5. Supplies and repair parts	15,482,551	14,000,000	14,000,000
6. Services including equipment maintenance	92,636,675	96,300,000	93,000,000
7. Antiaircraft defense	11,216,194	10,200,000	8,600,000
Total obligations	306,188,670	326,700,000	298,000,000
Financing:			
Unobligated balance no longer available	13,973,330	7,100,000	
Appropriation (new obligational authority)	320,162,000	333,800,000	298,000,000

National Guard personnel are trained in their respective units in 48 armory drills and 15 days field training. Non-prior service recruits must take 6 months active duty for basic training in a Federal status under provisions of 10 U. S. C. 672. Selected personnel receive specialized training at Army schools and command post exercises. The States, Territories and the District of Columbia also provide support for the Army National Guard.

There were 5,493 federally recognized local units on June 30, 1957. The structure of the major units will be maintained in 1959 at 27 divisions, together with combat support units. The military personnel strength is summarized in the following table:

ARMY NATIONAL GUARD PERSONNEL STRENGTH

[In paid status]

	1956 actual	*1957 actual*	*1958 planned*	*1959 proposed*
End of year:				
Officers	34,899	36,795	36,000	35,000
Enlisted	369,504	385,383	364,000	325,000
Total	404,403	422,178	400,000	360,000
Average:				
Officers	34,550	35,934	36,400	35,500
Enlisted	345,692	377,537	370,400	341,960
Total	380,242	413,471	406,800	377,460

In 1959 the training level will continue to rise through the requirement of basic training for new enlistees who have not had prior military service, and all Army National Guard units will enter unit training. The composition of the Guard by training category during 1959 is indicated below:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	36,000	35,500	35,000
		Enlisted	342,100	328,560	311,900
0	180	do	21,900	13,400	13,100
		Total	400,000	377,460	360,000

1. *Military personnel.*—Army National guardsmen attending armory drills receive basic pay; those participating in field training and other active duty training receive additional allowances. Subsistence is provided for enlisted men during active duty training and for both officers and enlisted men at drill assemblies of 8 hours or more on 1 day. Uniform clothing is provided for enlisted men, and monetary uniform allowance for officers. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission."

2. *Command and management.*—This provides for the administrative expenses of the National Guard Bureau (except the air division), including civilian salaries, military and civilian travel, printing and reproduction costs at the seat of the Government, and assistance to the States in recruiting.

3. *Training.*—Provides for expenses of drill assemblies and field training, including travel of Regular Army personnel, transportation of supplies and equipment, and miscellaneous supplies and services.

4. *Materiel.*—Organizational and individual equipment, and other necessary materiel are provided for unit training.

5. *Supplies and repair parts.*—Provides for supplies and repair parts, publications, and organizational and office supplies.

6. *Services including equipment maintenance.*—Provision is made for transportation, travel, communication and miscellaneous services for the support of units, an average strength of 16,940 State civilian employees for the administration of units, and the maintenance and repair of equipment; for maintenance, repair and utility costs of National Guard facilities; and for the operation of State and Federal field training camps.

7. *Antiaircraft defense.*—This provides for training and operating expenses (other than military personnel costs) of Army National Guard AAA gun and missile battalions as part of the air defense of the United States. It provides for an average of 1,650 State civilian employees to maintain and secure on-site positions and equipment in a continued state of operational readiness. The program in 1959 will be limited to units equipped with missiles or in training for conversion to missile units.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Number of permanent Federal positions	203	202	188
Number of permanent non-Federal positions	19,880	19,628	19,282
Total number of permanent positions	20,083	19,830	19,470
Full-time equivalent of all other positions	292	274	241
Average number of Federal employees	488	468	426
Average number of non-Federal employees	19,137	19,100	18,590
Average number of all employees	19,625	19,568	19,016

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Number of Federal employees at end of year	737	693	633
Number of non-Federal employees at end of year	19,628	18,550	18,781
Number of employees at end of year	20,365	19,243	19,414
Average salaries and grades:			
Average GS grade and salary	5.6 $4,534	5.6 $4,546	5.6 $4,546
Average salary of ungraded positions	$4,117	$4,142	$4,142
Average salary of non-Federal positions	$4,330	$4,536	$4,557
01 Personal services:			
Permanent positions	$892,658	$882,653	$841,749
Positions other than permanent	1,202,301	1,135,000	998,000
Other personal services	12,960	4,347	4,251
Total civilian, Federal	2,107,919	2,022,000	1,844,000
Total civilian, non-Federal	82,860,585	86,627,000	84,900,000
Total civilian	84,968,504	88,649,000	86,744,000
Total military	150,319,785	158,364,000	144,681,000
Total personal services	235,288,289	247,013,000	231,425,000
02 Travel	9,756,725	13,341,000	10,483,000
03 Transportation of things	5,006,984	4,758,000	3,545,000
04 Communication services	727,884	784,000	763,000
05 Rents and utility services	562,871	485,000	421,000
06 Printing and reproduction	101,485	99,000	102,000
07 Other contractual services	6,097,975	7,209,000	6,722,000
08 Supplies and materials	45,391,051	49,903,000	41,678,000
09 Equipment	1,379,681		
11 Grants, subsidies, and contributions		198,000	182,000
12 Pensions, annuities, and insurance claims	18,865	19,000	19,000
13 Refunds, awards, and indemnities	1,180		
15 Taxes and assessments	1,855,680	2,891,000	2,660,000
Total obligations	306,188,670	326,700,000	298,000,000

Research and Development

For expenses necessary for basic and applied scientific research and development, including maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, [$400,000,000] *$471,000,000*, to remain available until expended. *(10 U. S. C. 2352–57, 4503; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$400,000,000** Estimate 1959, **$471,000,000**
Appropriated (adjusted) 1958, **$443,852,144**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Aircraft and related equipment	$10,705,882	$16,789,000	$15,919,000
2. Guided missiles and related equipment	113,136,889	127,963,000	145,379,000
3. Ships and small craft and related equipment	269,237	134,000	287,000
4. Combat and support vehicles and related equipment	16,439,917	16,685,000	16,116,000
5. Artillery and other weapons and related equipment	10,683,230	16,025,000	13,690,000
6. Ammunition and related equipment	46,964,305	31,813,000	34,811,000
7. Other equipment	70,568,443	82,536,000	86,155,000
8. Military sciences	99,690,608	97,968,000	83,362,000
9. Operation and management of facilities	58,938,665	66,987,000	70,281,000
Total obligations	427,397,176	456,900,000	466,000,000
Financing:			
Unobligated balance brought forward	−28,551,762	−33,828,114	−20,780,258
Unobligated balance carried forward	33,828,114	20,780,258	25,780,258
New obligational authority	432,673,528	443,852,144	471,000,000
New obligational authority:			
Appropriation	$410,000,000	$400,000,000	$471,000,000
Transferred from "Emergency fund" (70 Stat. 456, 71 Stat. 313)	22,673,528	45,100,000	
Transferred to "Salaries and expenses," Airways Modernization Board (31 U. S. C. 581c)		−1,247,856	
Appropriation (adjusted)	432,673,528	443,852,144	471,000,000

Scientific and technical resources are applied to the problems of providing the Army with the firepower, mobility, intelligence, and supporting capabilities necessary to meet the changing conditions of modern war. The work is carried on under contracts with industry and other private institutions, and in the research, development, and test facilities of the Army and other Government agencies. Additional funds for development and for procurement of items for test and evaluation are provided in the appropriation for procurement of equipment and missiles.

1. *Aircraft and related equipment.*—This activity covers research and development of piloted aircraft, including propulsion systems and other equipment. Emphasis is on short-takeoff fixed and rotary-wing aircraft of increased range and all-weather capability.

2. *Guided missiles and related equipment.*—The objective of this activity is the development of surface-to-air missiles for air defense and surface-to-surface missiles for tactical support of ground troops in land combat. Propulsion and guidance systems and other related equipment are also developed under this activity. The substantial increase planned for 1959 reflects the increasing importance of guided missiles in modern warfare.

3. *Ships and small craft and related equipment.*—Small craft for transport, reconnaissance, and assault use are under development.

4. *Combat and support vehicles and related equipment.*—This activity includes a variety of vehicles ranging from tanks and self-propelled guns to personnel and cargo carriers.

5. *Artillery and other weapons and related equipment.*—Rocket launchers for advanced weapons are included in this activity in addition to improved field guns, howitzers, mortars, small arms, and other weapons, together with fire control and other related equipment.

6. *Ammunition and related equipment.*—Emphasis is placed on new types of ammunition such as rockets, as well as on increased effectiveness of artillery ammunition, mines, grenades, and small-arms ammunition. Development of improved explosives and propellants is included.

7. *Other equipment.*—Development of a wide variety of supporting equipment for communications, construction, reconnaissance, mapping, and other purposes is carried on under this activity.

8. *Military sciences.*—This provides for basic and applied scientific research of general application to military problems and for the development of materials and components not directly associated with other items under development. Examples of the work under this activity are medical research and operations research studies.

9. *Operation and management of facilities.*—Included in this activity are those support costs for operation, maintenance, and management of research, development, and test facilities, such as the White Sands Proving Ground, not charged directly to other budget activities.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY			
Total number of permanent positions	14,761	13,099	12,204
Full-time equivalent of all other positions	23	29	29
Average number of all employees	14,104	12,647	11,406
Number of employees at end of year	14,296	11,767	11,788
Average GS grade and salary	7.8 $5,729	7.8 $5,731	7.8 $5,755
Average salary of ungraded positions	$5,109	$5,137	$5,102
01 Personal services:			
Permanent positions	$78,639,542	$70,447,967	$64,102,764
Positions other than permanent	134,159	181,767	182,536
Other personal services	3,930,382	3,220,266	2,885,700
Total personal services	82,704,083	73,850,000	67,171,000
02 Travel	4,023,864	3,611,000	3,594,860
03 Transportation of things	620,121	578,350	757,600

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DEPARTMENT OF THE ARMY—Continued

Current authorizations—Continued

RESEARCH AND DEVELOPMENT—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY—continued			
04 Communication services	$384,710	$232,000	$206,000
05 Rents and utility services	747,319	546,000	536,000
06 Printing and reproduction	138,021	136,000	135,800
07 Other contractual services	260,521,486	296,436,020	321,728,700
Services performed by other agencies	15,392,537	22,838,500	13,270,000
08 Supplies and materials	36,129,311	32,917,300	33,606,500
09 Equipment	42,246,133	36,937,500	34,627,500
10 Lands and structures	100,175		
11 Grants, subsidies, and contributions	2,000	7,346,460	7,406,000
13 Refunds, awards, and indemnities	16,531	15,670	15,550
15 Taxes and assessments	391,392	409,480	409,490
Subtotal	443,417,683	475,854,280	483,465,000
Deduct—			
Quarters and subsistence charges	22,347	15,000	15,000
Portion of foregoing obligations originally charged to object class 07, 08, or 09	19,021,881	19,900,000	17,450,000
Total, Department of the Army	424,373,455	455,939,280	466,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	16		
Full-time equivalent of all other positions	66	76	
Average number of all employees	82	76	
Number of employees at end of year	85	75	
Average GS grade and salary	7.4 $4.719	7.4 $4.750	
01 Personal services:			
Permanent positions	$151,146		
Positions other than permanent	279,671	$363,912	
Other personal services	121		
Total personal services	430,938	363,912	
02 Travel	18,167	9,900	
03 Transportation of things	3,557	18,653	
04 Communication services	3,419	2,609	
05 Rents and utility services	17,325	11,388	
06 Printing and reproduction	951		
07 Other contractual services	2,110,284	243,239	
Services performed by other agencies		198	
08 Supplies and materials	78,188	51,056	
09 Equipment	21,550	30,963	
10 Lands and structures	338,930	206,907	
11 Grants, subsidies, and contributions		21,895	
13 Refunds, awards, and indemnities	166		
15 Taxes and assessments	246		
Total, allocation accounts	3,023,721	960,720	
Total obligations	427,397,176	456,900,000	$466,000,000
Obligations are distributed as follows:			
Department of the Army	$424,373,455	$455,939,280	$466,000,000
Department of Agriculture	130,972	3,105	
Atomic Energy Commission	1,329,082	302,510	
Department of Commerce	1,412,499	553,774	
Department of Health, Education, and Welfare	5,132		
Department of the Interior	52,036	1,093	
Federal Communications Commission	8,859		
Library of Congress	28,407		
Department of the Navy	56,734	100,238	

PROCUREMENT [AND PRODUCTION, ARMY] *OF EQUIPMENT AND MISSILES*

[Funds under this head shall be available for the purchase of thirteen passenger motor vehicles at not to exceed $3,000 each and fifteen at not to exceed $2,400 each, for replacement only] *For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, equipment, vehicles, vessels, and aircraft for the Army and the Reserve Officers' Training Corps; purchase of passenger motor vehicles for replacement only; expenses which in the discretion of the Secretary of the Army are necessary in providing facilities for production of equipment and supplies for national defense purposes, including construction, and the furnishing of Government-owned facilities and equipment at privately owned plants; and ammunition for military salutes at institutions to which issue of weapons for salutes is authorized; $1,405,000,000, to remain available until expended. (5 U. S. C. 78; 10 U. S. C. 3012, 4386, 4531, 4532; sec. 40, 70 Stat. 1127; Department of Defense Appropriation Act, 1958.)*

Estimate 1959, **$1,405,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Major equipment	$745,661,460	$685,800,000	$807,900,000
2. Ammunition and missiles	945,591,861	788,200,000	758,200,000
3. Industrial mobilization	105,042,219	100,000,000	53,900,000
Total direct obligations	1,796,295,540	1,574,000,000	1,620,000,000
Reimbursable obligations:			
1. Major equipment	168,184,289	170,000,000	74,500,000
2. Ammunition and missiles	108,406,189	207,000,000	115,500,000
Total reimbursable obligations	276,590,478	377,000,000	190,000,000
Total obligations	2,072,886,018	1,951,000,000	1,810,000,000
Financing:			
Unobligated balance brought forward	−2,524,767,286	−1,595,890,882	−428,300,216
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from (−) or to other Army accounts	−5,327,835	1,781,041	
Unobligated balance transferred to "Military personnel," Army (71 Stat. 178)	27,444,000		
Advances and reimbursements from other accounts	−533,347,086	−115,000,000	−90,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−271,876,171	−529,190,375	
Reimbursements from non-Federal sources	−145,606,982	−41,000,000	−10,000,000
Recovery of prior year obligations	−215,295,540	−100,000,000	−50,000,000
Unobligated balance carried forward	1,595,890,882	428,300,216	173,300,216
Appropriation (new obligational authority)			1,405,000,000

Provision is made for the procurement of major supplies and equipment, including missiles, necessary to equip, maintain, and train the active Army and Reserve forces; and for the provision of facilities essential to industrial mobilization objectives.

Sales of equipment and supplies from stock which do not require replacement in kind provide a source of funds for procurement of items for the Army. These amounts are included as direct obligations, as follows: 1957, $280 million; 1958, $236 million; and 1959, $10 million.

1. *Major equipment.*—Provision is made for procurement of weapons and vehicles actually used for combat, such as antiaircraft artillery, recoilless rifles, fire-control equipment, mortars, rifles, machine guns, tanks and tank accessories, self-propelled artillery, etc.; vehicles used for general purposes; Army aircraft, including liaison aircraft, helicopters, and target equipment used in antiaircraft training; electronics and communications equipment; and other major items of equipment used by the Army, such as railroad equipment, bridges, materials-handling equipment, construction equipment, generators, road-building equipment, etc.

2. *Ammunition and missiles.*—Provision is made for procurement of missiles, ammunition used with conventional weapons, and ground explosives.

3. *Industrial mobilization.*—Provision is made for the rehabilitation and expansion of manufacturing facilities needed for current operations; for development of mass-production methods for new items, for pilot-line production, for production engineering tests leading to reduction in the use of critical materials and manpower; and for the layaway of Government-owned production facilities and equipment as they are released.

4. *Reimbursements.*—In accordance with coordinated procurement assignments, supplies are provided to other military services, foreign governments cooperating in mutual defense programs and others, on a reimbursable basis, either by issue from stock or by procurement.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY			
Total number of permanent positions	10,426	9,512	9,153
Average number of all employees	9,817	8,744	8,744
Number of employees at end of year	9,751	8,578	8,650
Average GS grade and salary	7.8 $5,729	7.8 $5,731	7.8 $5,755
Average salary of ungraded positions	$5,109	$5,137	$5,102
Direct obligations:			
01 Personnel services:			
Permanent positions	$51,254,382	$47,149,514	$47,173,996
Other personal services	4,989,527	3,023,486	2,999,004
Total personal services	56,243,909	50,173,000	50,173,000
02 Travel	771,470	768,000	790,000
03 Transportation of things	75,681,876	61,727,000	62,500,000
04 Communication services	308,960	309,000	307,000
05 Rents and utility services	2,004,442	1,634,000	1,700,000
06 Printing and reproduction	176,480	150,000	140,000
07 Other contractual services	99,881,754	81,527,315	84,760,000
08 Supplies and materials	838,203,667	862,867,000	931,422,000
09 Equipment	650,899,560	424,026,000	415,000,000
10 Lands and structures	37,681,980	35,700,000	37,600,000
11 Grants, subsidies, and contributions		3,010,000	3,010,000
15 Taxes and assessments	808,365	740,000	748,000
Total direct obligations	1,762,662,463	1,522,631,315	1,588,150,000
Reimbursable obligations:			
03 Transportation of things	11,063,619	15,000,000	8,000,000
08 Supplies and materials	91,274,858	143,000,000	79,000,000
09 Equipment	174,252,001	219,000,000	103,000,000
Total reimbursable obligations	276,590,478	377,000,000	190,000,000
Total, Department of the Army	2,039,252,941	1,899,631,315	1,778,150,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	9	1	
Average number of all employees	9	1	
Number of employees at end of year	4		
Average GS grade and salary	7.6 $5,612	7.7 $5,719	
01 Personal services:			
Permanent positions	$45,692	$9,550	
Other personal services	737,396	762,450	781,000
Total personal services	783,088	772,000	781,000
02 Travel	735	645	600
03 Transportation of things	45,960	33,800	34,200
04 Communication services	421	200	300
05 Rents and utility services	186,057	170,000	171,000
07 Other contractual services	31,028,838	48,983,880	29,338,100
08 Supplies and materials	1,411,124	1,246,000	1,360,000
09 Equipment	103,395	92,000	93,000
11 Grants, subsidies, and contributions	72,600	69,400	71,000
15 Taxes and assessments	859	760	800
Total, allocation accounts	33,633,077	51,368,685	31,850,000
Total obligations	2,072,886,018	1,951,000,000	1,810,000,000
Obligations are distributed as follows:			
Department of the Army	$2,039,252,941	$1,899,631,315	$1,778,150,000
Tennessee Valley Authority	2,569,473	2,400,000	2,600,000
Atomic Energy Commission	30,918,389	48,901,000	29,200,000
Department of the Interior, Bureau of Mines	92,019	17,685	
Department of Commerce, National Bureau of Standards	52,807	50,000	50,000
Department of Commerce, Civil Aeronautics Administration	389		

National Board for the Promotion of Rifle Practice[, Army]

For necessary expenses of construction, equipment and maintenance of rifle ranges, the instruction of citizens in marksmanship, and promotion of rifle practice, in accordance with law, including travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions, and not to exceed $18,000 for incidental expenses of the National Board, [$250,000] *$300,000*: *Provided*, That travel expenses of civilian members of the National Board shall be paid in accordance with the Standardized Government Travel Regulations, as amended. (*10 U. S. C. 4307–13, 4652; 32 U. S. C. 316; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$250,000** Estimate 1959, **$300,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Promotion of military marksmanship among civilians (total obligations)	$239,234	$250,000	$300,000
Financing:			
Unobligated balance no longer available	117,766		
Appropriation (new obligational authority)	357,000	250,000	300,000

The National Board for the Promotion of Rifle Practice assists in providing citizens training in the use of military-type small arms. Assistance is provided to approximately 3,800 clubs and schools enrolled with the director of civilian marksmanship with a total membership of approximately 204,000, by the loan of rifles and equipment, the issuance of targets and supplies for use in marksmanship practice, and the issuance of trophies, medals, and badges for marksmanship. Ammunition is provided from other appropriations for issue to members of rifle clubs and to competitors at national, regional, State, and local competitions. Funds are included for travel of civilian shooting teams to the national matches and to the international shooting games to be held in August 1958 in Moscow, Russia.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	19	17	17
Average number of all employees	17	16	16
Number of employees at end of year	15	17	17
Average GS grade and salary	4.6 $3,960	4.6 $3,960	4.6 $3,960
01 Personal services:			
Permanent positions	$67,038	$63,704	$63,698
Other personal services		296	302
Total personal services	67,038	64,000	64,000
02 Travel	21,340	30,000	73,500
03 Transportation of things	1,666	3,250	3,250
04 Communication services	599	600	600
07 Other contractual services	25,956	26,000	30,000
08 Supplies and materials	41,710	53,500	60,250
09 Equipment	80,915	68,250	64,000
11 Grants, subsidies, and contributions		4,300	4,400
15 Taxes and assessments	10	100	
Total obligations	239,234	250,000	300,000

Alaska Communication System

OPERATION AND MAINTENANCE

For expenses necessary for the operation, maintenance, and improvement of the Alaska Communication System, including purchase (not to exceed [one] *two* for replacement only) and hire of passenger motor vehicles, $5,500,000, to remain available until the close of the fiscal year [1959] *1960*, and, in addition, not to exceed 15 per centum of the current fiscal year receipts of the Alaska Communication System may be merged with and used for the purposes of this appropriation and charges for *each* station agent [agreements] *agreement* may be paid from receipts of the Alaska Communication System *at such station*. (*47 U. S. C. 16; 48 U. S. C. 310, 311; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$5,500,000** Estimate 1959, **$5,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction of telephone, telegraph, and cable systems		$300,000	

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DEPARTMENT OF THE ARMY—Continued

Current authorizations—Continued

ALASKA COMMUNICATION SYSTEM—Continued

OPERATION AND MAINTENANCE—continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Improvement of fire protection system	$300,000	$44,000	
3. Maintenance and operation of the communication system	4,650,208	5,156,000	$5,500,000
Total obligations	4,950,208	5,500,000	5,500,000
Financing:			
Unobligated balance brought forward	−610,183	−34,711	
Unobligated balance carried forward	34,711		
Unobligated balance no longer available	625,264	34,711	
Appropriation (new obligational authority)	5,000,000	5,500,000	5,500,000

This system provides internal and external telegraph and long distance telephone service for the Territory of Alaska. The amount appropriated provides for all expenses incident to the normal maintenance, operation, and equipment modernization of the system exclusive of costs of pay, allowances, subsistence, and medical care of military personnel utilized. Revenues and reimbursements earned by the system are deposited in the Treasury.

In 1957 the value of governmental and commercial use was $7.6 million. The estimated value in 1958 is $8 million and in 1959 is $8.4 million. Revenue from commercial customers was $3.6 million in 1957, and is estimated at $3.8 million for 1958 and $4.2 million for 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	524	569	587
Average number of all employees	485	522	549
Number of employees at end of year	519	557	587
Average GS grade and salary	4.7 $4,073	4.7 $4,064	4.7 $4,012
Average salary of ungraded positions	$6,640	$6,639	$6,639
01 Personal services:			
Permanent positions	$2,244,083	$2,383,800	$2,571,200
Other personal services	286,187	296,200	276,800
Total personal services	2,530,270	2,680,000	2,848,000
02 Travel	131,856	138,000	114,000
03 Transportation of things	88,867	95,000	78,000
04 Communication services	918,623	1,183,100	1,400,900
05 Rents and utility services	306,609	279,000	278,100
06 Printing and reproduction	5,605	6,000	6,000
07 Other contractual services	440,872	309,500	149,600
08 Supplies and materials	407,919	429,900	421,900
09 Equipment	112,350	226,500	50,100
11 Grants, subsidies, and contributions		148,500	148,900
13 Refunds, awards, and indemnities	1,355		
15 Taxes and assessments	5,882	4,500	4,500
Total obligations	4,950,208	5,500,000	5,500,000

CONSTRUCTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction of buildings, quarters, and utilities (total obligations)	$503,891	$257,300	
Financing:			
Unobligated balance brought forward	−1,360,594	−856,703	−$599,403
Unobligated balance carried forward	856,703	599,403	599,403
Appropriation (new obligational authority)			

This account provides for the construction of operations buildings and utilities to house technical equipment, barracks to house enlisted men, and family quarters for the housing of operating personnel. Obligations in 1958 will permit the completion of projects initiated in 1957 at Nome, Bethel, Kotzebue, and Lena Point, and will provide for the construction of a combination operations and troop housing building for the ionosphere sounding station at Adak.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5	1	
Average number of all employees	5	1	
Number of employees at end of year	1	1	
Average GS grade and salary	7.7 $5,601	7.7 $5,624	
01 Personal services:			
Permanent positions	$32,103	$5,624	
Other personal services	3,256		
Total personal services	35,359	5,624	
10 Lands and structures	468,532	251,310	
11 Grants, subsidies, and contributions		366	
Total obligations	503,891	257,300	

[MILITARY CONSTRUCTION, ARMY]

[For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as authorized by sections 102 and 505 of the Act of September 28, 1951 (Public Law 155), by section 102 of the Act of July 14, 1952 (Public Law 534), the Act of August 7, 1953 (Public Law 209), the Act of July 27, 1954 (Public Law 534), the Act of September 1, 1954 (Public Law 765), the Act of July 15, 1955 (Public Law 161), the Act of August 3, 1956, (Public Law 968), and the additional projects as may be authorized by law during the first session of the Eighty-fifth Congress, without regard to section 4774 (d) of title 10, United States Code, and section 3734, Revised Statutes, as amended, to remain available until expended, $310,000,000.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$310,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public works construction	$329,136,495	$319,187,000	$127,161,524
2. Minor construction		6,300,000	100,000
3. Planning	7,387,534	8,000,000	1,500,000
4. Supporting activities	9,346,864	8,000,000	2,500,000
Total obligations	345,870,893	341,487,000	131,261,524
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−1,826,781	−1,487,000	
Unobligated balance brought forward	−303,305,636	−161,261,524	−131,261,524
Unobligated balance transferred from "Army stock fund" (70 Stat. 680)	−202,000,000		
Unobligated balance carried forward	161,261,524	131,261,524	
Appropriation (new obligational authority)		310,000,000	

1. *Public works construction.*—This program provides for acquisition of land for, and construction of, military public works projects in the United States and overseas as authorized by Congress in current military public works authorization acts. These projects support the current and long-range program to strengthen and modernize the Army.

2. *Minor construction.*—Provision is made for construction of permanent and temporary public works that are not otherwise authorized by law but which are determined to be urgently required and do not exceed $200,000 per project.

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3. *Planning.*—This provides for necessary planning of military construction projects, including design, standards, criteria, studies, appraisals, and other related activities.

4. *Supporting activities.*—Provision is made for activities such as the defense access road program and the architect-engineer services, land and utilities, in support of the privately financed Capehart housing program.

An additional amount is anticipated for military construction under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY			
Total number of permanent positions	5,015	4,990	4,990
Full-time equivalent of all other positions	121	121	121
Average number of all employees	4,906	4,873	4,873
Number of employees at end of year	4,598	4,702	4,702
Average GS grade and salary	7.7 $5,601	7.7 $5,624	7.7 $5,646
Average salary of ungraded positions	$4,368	$4,381	$4,381
01 Personal services:			
Permanent positions	$22,800,086	$22,653,809	$22,773,351
Positions other than permanent	354,292	353,800	353,800
Other personal services	2,242,362	1,738,391	1,738,849
Total personal services	25,396,740	24,746,000	24,866,000
02 Travel	752,322	750,000	750,000
03 Transportation of things	454,221	450,000	400,000
04 Communication services	305,495	300,000	300,000
05 Rents and utility services	151,291	150,000	150,000
06 Printing and reproduction	250,110	250,000	250,000
07 Other contractual services	39,221,764	39,000,000	7,000,000
Services performed by other agencies	50,000	50,000	50,000
Labor contracts with foreign governments [1]	465,315	626,000	278,000
08 Supplies and materials	3,098,542	3,000,000	2,700,000
09 Equipment	7,562,127	7,000,000	6,600,000
10 Lands and structures	265,327,020	258,703,150	83,881,524
11 Grants, subsidies, and contributions		1,216,000	1,216,000
13 Refunds, awards, and indemnities	12,273	15,000	15,000
15 Taxes and assessments	183,025	183,000	183,000
Total, Department of the Army	343,230,245	336,439,150	128,639,524
ALLOCATION ACCOUNTS			
Total number of permanent positions	201	199	14
Full-time equivalent of all other positions	4	6	2
Average number of all employees	156	135	15
Number of employees at end of year	202	16	16
Average GS grade and salary	9.3 $5,710	9.7 $5,847	11.5 $8,367
Average salary of ungraded positions	$4,479	$4,560	
01 Personal services:			
Permanent positions	$609,504	$507,622	$105,420
Positions other than permanent	10,177	21,500	10,000
Other personal services	144,708	108,167	2,057
Total personal services	764,389	637,289	117,477
02 Travel	5,589	18,000	8,000
03 Transportation of things	24,630	20,000	
04 Communication services	1,252	1,600	600
05 Rents and utility services	256	11,000	11,000
06 Printing and reproduction	116	2,600	600
07 Other contractual services	58,343	152,603	62,523
Services performed by other agencies	3,035	2,800	2,500
08 Supplies and materials	424,552	317,000	6,500
09 Equipment	112,030	60,000	
10 Lands and structures	1,235,830	2,897,358	2,406,600
11 Grants, subsidies, and contributions		32,600	6,200
13 Refunds, awards, and indemnities		890,000	
15 Taxes and assessments	10,626	5,000	
Total, allocation accounts	2,640,648	5,047,850	2,622,000
Total obligations	345,870,893	341,487,000	131,261,524
Obligations are distributed as follows:			
Department of the Army	$343,230,245	$336,439,150	$128,639,524
Bureau of Public Roads	294,418	2,958,142	2,500,000
Office of Defense Mobilization	80,039	100,000	110,000
National Bureau of Standards	9,145	17,972	12,000
Bureau of Mines	1,293,680	1,896,771	
Atomic Energy Commission	942,940	42,616	
Coast Guard	2,775		
Panama Canal	17,651	32,349	

[1] Average number persons—1957, 201; 1958, 272; 1959, 123.

[Military Construction, Army Reserve Forces]

[For construction, acquisition, expansion, rehabilitation and conversion of facilities for the training and administration of the reserve components, including contributions therefor, as authorized by sections 2231–2238 of title 10, United States Code, without regard to section 4774 (d) of title 10, United States Code, and section 3734, Revised Statutes, as amended, and land and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended; and hire of passenger motor vehicles; $55,000,000, to remain available until expended.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$55,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. National Guard armory construction	$26,712,323	$8,000,000	$10,000,000
2. National Guard nonarmory construction	2,300,275	2,000,000	2,000,000
3. Army Reserve construction	22,139,181	17,000,000	23,000,000
Total obligations	51,151,779	27,000,000	35,000,000
Financing:			
Unobligated balance brought forward	−24,228,080	−28,076,301	−56,076,301
Unobligated balance carried forward	28,076,301	56,076,301	21,076,301
Appropriation (new obligational authority)	55,000,000	55,000,000	

This program is to provide adequate training and storage facilities for the Army National Guard and the Army Reserve. Facilities are utilized to the greatest practicable extent by two or more of the Reserve forces of the armed services.

1. *National Guard armory construction.*—Requirements include construction of new armories and expansion and modification of existing armories. One hundred and ninety-five projects were initiated in 1957.

2. *National Guard nonarmory construction.*—Requirements include construction of aircraft hangars, maintenance shops, field training facilities, and storage facilities.

3. *Army Reserve construction.*—This provides for acquisition of Army Reserve training centers. During 1957, contracts were awarded for 68 projects. Approximately the same number are planned in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	276	288	276
Average number of all employees	253	259	259
Number of employees at end of year	288	276	276
Average GS grade and salary	7.9 $5,666	7.9 $5,685	7.9 $5,704
01 Personal services:			
Permanent positions	$1,443,494	$1,477,327	$1,481,312
Other personal services	96,568	22,673	22,688
Total personal services	1,540,062	1,500,000	1,504,000
02 Travel	79,701	61,000	83,000
07 Other contractual services	278,954	214,000	290,000
08 Supplies and materials	39,850	31,000	41,000
10 Lands and structures	49,213,212	25,194,000	33,082,000
Total obligations	51,151,779	27,000,000	35,000,000

Preparation for Sale or Salvage of Military Property

(Indefinite special account)

Appropriated (est.) 1958, **$21,000,000** Estimate 1959, **$22,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operating expense	$18,873,321	$20,920,000	$21,928,000
2. Procurement of equipment	112,395	80,000	72,000
Total obligations	18,985,716	21,000,000	22,000,000
Financing:			
Appropriation (new obligational authority)	18,985,716	21,000,000	22,000,000

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DEPARTMENT OF THE ARMY—Continued

Current authorizations—Continued

PREPARATION FOR SALE OR SALVAGE OF MILITARY PROPERTY—Continued

(Indefinite special account)—Continued

As authorized by the Congress annually, proceeds from the sale of scrap, salvage, or surplus material are used to finance preparation for sale or salvage of scrap, salvage, and surplus material and all costs of sales of such material (71 Stat. 430). The following is a fiscal-year comparison of the programed activity:

	1957 actual	*1958 estimate*	*1959 estimate*
Tons of material disposed of	1,341,231	1,512,918	1,870,000
Dollar value of material disposed of	$1,700,000,000	$1,400,000,000	$2,000,000,000
Proceeds derived from sales	$66,602,339	$75,000,000	$75,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3,622	3,935	4,400
Full-time equivalent of all other positions	246	190	190
Average number of all employees	3,568	3,905	4,390
Number of employees at end of year	2,971	3,905	4,390
Average GS grade and salary	4.8 $4,123	4.8 $4,130	4.8 $4,140
Average salary of ungraded positions	$4,303	$4,305	$4,309
01 Personal services:			
Permanent positions	$14,167,125	$15,703,959	$17,741,508
Positions other than permanent	175,607	147,688	121,369
Other personal services	164,258	159,353	148,123
Total personal services	14,506,990	16,011,000	18,011,000
02 Travel	35,145	36,000	23,000
03 Transportation of things	595,910	570,000	382,000
05 Rents and utility services	141,313	100,000	70,000
07 Other contractual services	775,812	500,000	500,000
Labor contracts with foreign governments [1]	554,250	484,000	484,000
08 Supplies and materials	2,226,016	2,200,000	1,445,000
09 Equipment	112,395	80,000	72,000
11 Grants, subsidies, and contributions		989,000	989,000
15 Taxes and assessments	37,885	30,000	24,000
Total obligations	18,985,716	21,000,000	22,000,000

[1] Average number of employees—1957, 590; 1958, 515; 1959, 515.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Mutual security," funds appropriated to the President.
"Refugee relief," funds appropriated to the President.

Public enterprise funds:

DEFENSE HOUSING

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operation and maintenance of housing (total costs—obligations)	$473,322	$650,000	$650,000
Financing:			
Amounts becoming available: Income from rentals	912,838	1,000,000	1,000,000
Unobligated balance brought forward		439,516	789,516
Total amounts available	912,838	1,439,516	1,789,516
Capital transfer (payment of profits to Treasury) (—)			—550,000
Unobligated balance carried forward	—439,516	—789,516	—589,516
Financing applied to program	473,322	650,000	650,000

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units transferred to the Department of Army (70 Stat. 1106). During 1957, there were 2,289 family units maintained, and a slight reduction in the number of units will occur in 1958 and 1959. Funds are provided by rental receipts. During 1959, the sum of $550,000 which is surplus to operational requirements of the fund will be returned to the Treasury.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$473,322	$650,000	$650,000
Receipts from operations (funds provided):			
Revenue	912,838	1,000,000	1,000,000
Decrease in selected working capital	123,343	50,000	50,000
Total receipts from operations	1,036,181	1,050,000	1,050,000
Budget expenditures	—562,859	—400,000	—400,000

Revenue, Expense, and Retained Earnings

Revenue	$912,838	$1,000,000	$1,000,000
Expense	473,322	650,000	650,000
Net income for the year	439,516	350,000	350,000
Analysis of retained earnings:			
Retained earnings, beginning of year		439,516	789,516
Payment of profits to Treasury (—)			—550,000
Retained earnings, end of year	439,516	789,516	589,516

Financial Condition

Assets:			
Cash with Treasury	$562,859	$962,859	$812,859
Accounts receivable	52,326	52,326	52,326
Total assets	615,185	1,015,185	865,185
Liabilities:			
Current	175,669	225,669	275,669
Government investment:			
Retained earnings	439,516	789,516	589,516

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with the Treasury		$562,859	$962,859	$812,859
Obligated balance, net:				
Current liabilities		175,669	225,669	275,669
Accounts receivable (—)		—52,326	—52,326	—52,326
Total obligated balance		123,343	173,343	223,343
Unobligated balance		439,516	789,516	589,516

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	53	39	39
Average number of all employees	26	33	33
Number of employees at end of year	53	39	39
Average GS grade and salary	5.4 $4,286	5.4 $4,314	5.4 $4,307
Average salary of ungraded positions	$4,301	$4,316	$4,316
01 Personal services:			
Permanent positions	$116,376	$142,500	$142,500
Other personal services		5,500	5,500
Total personal services	116,376	148,000	148,000
07 Other contractual services	238,641	272,000	272,000
08 Supplies and materials	118,305	140,000	140,000
11 Grants, subsidies, and contributions		90,000	90,000
Total obligations	473,322	650,000	650,000

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Intragovernmental funds:

ARMY INDUSTRIAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and pictorial activities	$2,292,825	$7,478,726	$7,352,000
Manufacturing and maintenance divisions, Quartermaster depots	12,695,170	11,584,000	10,636,000
Ordnance arsenals	268,124,597	273,212,000	267,180,000
Ordnance proving ground and research activities	22,587,084	51,736,000	51,813,000
Chemical arsenals	34,239,961	17,090,962	15,356,694
Chemical proving grounds and research activities	26,444,195	54,684,948	52,452,421
Transportation terminal commands	114,790,658	119,064,000	96,905,000
Total costs of goods and services produced	481,174,490	534,850,636	501,695,115
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−25,593,946	−5,022,936	
Obligations incurred for costs of other years, net			337,398
Total program (obligations)	455,580,544	529,827,700	502,032,513
Financing:			
Amounts becoming available: Customer orders received:			
Printing and pictorial activities	4,505,339	8,058,326	7,352,000
Manufacturing and maintenance divisions, Quartermaster depots	11,148,599	10,924,098	10,378,320
Ordnance arsenals	282,703,385	241,967,388	224,943,088
Ordnance proving ground and research activities	22,153,258	60,103,000	52,369,000
Chemical arsenals	1,816,204	6,732,644	13,947,028
Chemical proving grounds and research activities	25,524,076	58,825,872	45,807,221
Transportation terminal commands	115,958,071	117,602,161	96,137,000
Total amounts becoming available	463,808,932	504,213,489	450,933,657
Anticipated reimbursements for deliveries of materiel common to U. S. requirements ordered by military assistance in current year	1,325,917	172,705	
Unobligated balance brought forward	562,448,059	461,873,867	386,032,361
Total amounts available	1,027,582,908	966,260,061	836,966,018
Rescission (70 Stat. 459)	−110,000,000		
Transferred to "Military personnel," Army (71 Stat. 313)		−50,000,000	
Deliveries of materiel common to U. S. requirements ordered by military assistance	−128,497	−400,000	−970,125
Unobligated balance carried forward	−461,873,867	−386,032,361	−333,963,380
Financing applied to program	455,580,544	529,827,700	502,032,513

This fund finances industrial- and commercial-type activities on a reimbursable basis (5 U. S. C. 172d).

Budget program—Printing and pictorial activities.—This includes a printing plant and a pictorial center, which produces and distributes motion pictures, film strips, and television programs on military training subjects. Costs increase in 1958 because the pictorial center was financed through this fund for only 4 months in 1957, and are expected to remain relatively stable in 1959.

Manufacturing and maintenance divisions, Quartermaster depots.—Four of these installations were financed through this fund in 1957. Closing of one during 1958 causes costs to decline in 1958 and 1959. These installations are engaged in the manufacture and repair of clothing and textile items, rebuild of furniture, air-drop equipment, and other items of quartermaster equipage, and in printing.

Ordnance arsenals.—In these 7 arsenals about one-third of the costs are for manufacturing and assembly, about one-third for research and development, and the remainder for repair work, supply services, maintenance of idle and underutilized industrial facilities, and miscellaneous other support services. About 90% of this work is performed for the Army and about 10% for other agencies, principally the Air Force. From 1957 to 1959, costs are expected to decline by about $1 million. This is the net of increases of $10 million for civil service retirement and $5.5 million to put 1957 wage increases on a full-year basis, offset by reductions of $16.5 million due to declining workload and employment. Decreased workload at installations specializing in artillery, small arms, and fire control equipment more than offsets increases of $13.5 million at installations doing work related to guided missiles and atomic munitions.

Ordnance proving grounds and research activities.—This includes a laboratory specializing in work on fuzes and a proving ground. About 93% of the industrial effort at these installations is in research and development and 7% in manufacturing. Costs increase in 1958 and 1959 because the proving ground has been financed through the fund only since September 1957. Workload and employment are expected to decline in 1959 at both installations.

Chemical arsenals.—These 2 arsenals are equipped for the production and loading of chemical warfare agents and provide for related repair and supply support. Costs decrease by about $17.1 million during 1958 and are expected to decrease by another $1.7 million in 1959, primarily because production operations have ceased at one of the arsenals during 1958 and are dropping to a very low level at the other through 1958 and 1959. Most of the costs incurred at these arsenals in 1958 and 1959 relate to supply services, maintenance of reserve industrial facilities, and miscellaneous support services furnished to tenant and neighbor organizations.

Chemical proving grounds and research activities.—These 3 installations are engaged primarily in research and development activities on chemical warfare agents and delivery systems. Costs increase by $28.2 million in 1958, primarily because the financing of the chemical center through this fund began in 1958, and will decline by about $2.2 million in 1959 as a result of reductions in workload and employment.

Transportation terminal commands.—These 3 commands are engaged in the import and export movement of personnel and cargo through Army terminals on the Atlantic, Pacific, and Gulf coasts. The following table presents workload and cost information:

	1957 actual	*1958 estimate*	*1959 estimate*
Terminal costs:			
Cargo	$68,914,580	$75,632,000	$71,463,000
Passengers	1,607,944	1,581,000	1,165,000
Services for commercial vessel owners and cargo-handling contractors	4,270,064	5,066,000	5,118,000
Commercial transportation	12,308,842	8,435,000	
Other services	27,689,228	28,350,000	19,159,000
Total costs	114,790,658	119,064,000	96,905,000
Measurement-tons of cargo handled	8,757,861	9,256,600	8,159,000
Number of passengers	773,466	694,000	515,000
Cost per measurement-ton:			
Ammunition	$23.24	$23.28	$21.01
Bulk cargo	.77		
Other cargo	7.58	7.83	8.23
Cost per passenger	2.08	2.28	2.26

The cost increase of $4.3 million in 1958 consists mainly of a $6.7 million increase in cargo-handling costs due to increased workload, offset by a reduction of $3.9 million in commercial transportation costs financed through the fund. In 1959, costs decrease by $22.2 million; $4.5 million of this decrease results from decreasing cargo and passenger workload, $8.4 million because commercial line-haul transportation costs will no longer be financed through the fund, and $9.2 million from reductions in other costs, most of which is related to depots no longer to be financed through the fund. Unit cost increases in 1958 are due to civil service retirement, wage increases granted in 1957

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DEPARTMENT OF THE ARMY—Continued

Intragovernmental funds—Continued

ARMY INDUSTRIAL FUND—Continued

being in effect on a full-year basis, changes in cargo mix, and the operation of wage-increase clauses in contractors' labor agreements. The latter two factors cause unit costs on other cargo to increase in 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments, as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Materials and supplies	$25,921,514	$24,461,133	$26,769,283	$26,464,343
Advances	1,210,959	2,199,810	570,595	529,385
Provision for subsequent maintenance, claims, etc. (—)	—5,040,113	—9,037,632	—7,731,174	—4,609,013
Unpaid undelivered orders	98,784,323	75,814,420	69,335,553	67,110,301
Total selected resources at end of year	120,876,683	93,437,731	88,944,257	89,495,016
Selected resources at start of year (—)	—120,876,683	—93,437,731	—88,944,257	—88,944,257
Increase or decrease (—) in selected resources		—27,438,952	—4,493,474	550,759
Materials and supplies capitalized (—)		—1,700,957	—5,325,843	
Inventory adjustment charged to prior year income		39,866		
Liabilities assumed or canceled (—): Accrued leave		3,497,066	4,796,381	—213,361
Adjustment of prior year payables		9,679		
Goods manufactured for inventory (—) (included both as a cost and an increase in inventory above)		—648		
Costs financed from obligations of other years, net (—)		—25,593,946	—5,022,936	
Obligations incurred for costs of other years, net				337,398

Costs exceeded obligations by $25.6 million in 1957, primarily because of a reduction in new work initiated in ordnance and chemical arsenals. New orders at chemical arsenals are again estimated to be lower than production in 1958, which is the major reason why costs exceed obligations in that year.

Additional activities being considered for industrial-fund financing.—Extension of industrial-fund financing to 20 additional installations is being considered for 1958 and 1959, including 11 ordnance equipment rebuild activities, 4 signal equipment rebuild facilities, 2 engineer equipment rebuild facilities, 2 railroad repair shops, and a general depot. Industrial-fund financing will be extended to these activities when (1) analysis of the specific installation indicates that definite economies can be derived thereby and (2) a program is developed for the installation that will assure the application of management and cost controls so as to achieve these economies.

Financing the budget program.—This program is financed from customer orders received, which constitute valid obligations of the ordering appropriations. Costs are charged initially to the fund and are billed to orders at the completion of work or periodically as work progresses. Such billings constitute revenue as reported in the statement of revenue and expense.

Orders received increase by $40.4 million in 1958, the net of a decrease of $40.7 million in ordnance arsenals and an increase of $81.1 million elsewhere. In ordnance arsenals, the reduction in orders received in 1958 does not result in a reduction in production costs, because of the large balance of unbilled orders brought forward, which will be sharply reduced during the year. The 1958 increases in other orders received result primarily from the addition of an ordnance proving ground and a chemical center to this fund in 1958.

In 1959, orders received are estimated to decline by $53.3 million, the net of a $7.2 million increase in chemical arsenals and $60.5 million in reductions elsewhere. In chemical arsenals, 1959 orders are expected to be substantially the same as costs incurred, in contrast to 1958 when new orders were partially offset by cancellations of prior-year production orders. The 1959 estimates for ordnance and chemical proving grounds and research activities reflect reductions in orders received of $7.7 million and $13 million, respectively. The decrease occurs because 1958 orders were unusually high as a result of establishing normal backlogs of customers' orders at the two installations added to this fund in 1958. Decreases of $39.8 million in orders received in 1959 in other activities relate primarily to reduced program requirements.

Operating results and financial condition.—The following table indicates 1957 revenue and expense by activity:

	Revenue	*Expense*	*Gain or loss (—)*
Printing and pictorial activities	$1,079,995	$1,099,099	—$19,104
Manufacturing and maintenance divisions, Quartermaster depots	12,602,723	12,566,149	36,574
Ordnance arsenals	284,396,546	283,398,452	998,094
Ordnance proving grounds and research activities	22,269,258	22,269,258	
Chemical arsenals	38,690,074	38,630,929	59,145
Chemical proving grounds and research activities	27,763,316	27,727,233	36,083
Transportation terminal commands	108,488,623	107,800,258	688,365
Total	495,290,535	493,491,378	1,799,157

About $700,000 of this gain was realized at installations billing at fixed prices, where those prices generated income in excess of costs incurred. The balance was realized largely because overhead applied to production at fixed rates exceeded actual overhead costs. No gain or loss is expected in 1958 or 1959. While it is not possible to achieve an absolute break-even position each year in actual practice, installations develop budgets upon this basis in order to avoid, so far as possible, any augmentation or overcharging of current customer appropriations.

Amounts billed for the support of reserve industrial capacity are estimated to increase by $7.6 million in 1959, primarily at ordnance arsenals. While these arsenals are operating at considerably below their capacity, maintenance and certain other costs cannot be reduced proportionately. Application of these fixed costs to current production buries such costs in charges against customer appropriations used to procure goods and services. At ordnance arsenals in 1959 fixed costs will be charged to current production in the ratio that current production bears to capacity. The costs attributable to unutilized production capacity will be financed from industrial mobilization funds. A similar practice is reflected in the chemical arsenals for 1957, 1958, and 1959. The cost of maintaining totally idle facilities, as distinct from partially utilized facilities, is financed from industrial mobilization funds in all cases.

Collections exceeded expenditures by $31.8 million in 1957. Billings were greatly accelerated in 1957, and progress billings on uncompleted orders were made to an abnormal extent at the end of the year. The 1958 estimates contemplate a normal billing and collection cycle, with progress billings for uncompleted orders limited to cases where relatively long periods of time are involved in production. As a result, accounts receivable and unbilled costs of work in process increase in 1958 and expenditures are expected to exceed collections by $23 million.

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A rescission of $110 million was effected in 1957, and $50 million was transferred to "Military personnel, Army" in 1958. Of the estimated Government investment of $226 million at the close of 1959, $131.7 million is necessary to provide working capital for the activities currently financed through this fund, estimates for which appear in the statements and schedules. The balance of $94.3 million will provide for contingent requirements, including the provision of working capital for additional installations being considered for industrial-fund financing in 1958 and 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchases of materials and supplies	$68,005,881	$70,006,552	$68,546,562
Costs, less materials and supplies used	410,046,489	461,826,391	432,843,613
Leave liabilities assumed or canceled (−)	3,497,066	4,796,381	−213,361
Increase in prior year payables	9,679		
Increase in selected working capital		8,273,025	1,721,186
Total gross expenditures	481,559,115	544,902,349	502,898,000
Receipts from operations (funds provided):			
Revenue	495,290,535	523,410,371	502,898,000
Sales against withdrawal credits (−)	−25,889	−1,508,022	
Increase in prior year receivables	6,407		
Decrease in selected working capital	18,136,249		
Total receipts from operations	513,407,302	521,902,349	502,898,000
Budget expenditures	−31,848,187	23,000,000	

Revenue, Expense, and Retained Earnings

Revenue:			
Manufacturing and assembly	$132,180,024	$114,075,371	$102,046,400
Overhaul and repair	19,215,133	17,019,000	12,541,000
Research and development	133,079,344	146,036,000	145,838,000
Transportation	82,221,031	88,880,000	77,108,000
Printing	928,117	914,000	913,000
Supply services	21,098,270	23,013,000	19,596,600
Capital additions and improvements	10,476,737	9,916,000	9,025,000
Support of reserve industrial capacity	9,418,689	10,480,000	18,093,000
Other revenue	86,673,190	113,077,000	117,737,000
Total revenue	495,290,535	523,410,371	502,898,000
Expense:			
Direct costs incurred:			
Labor	96,387,287	114,494,252	108,891,000
Material used	50,937,297	49,919,288	47,269,500
Contractual services	109,260,225	119,028,932	111,142,000
Other direct costs	31,627,718	34,126,500	25,349,000
Total direct costs	288,212,527	317,568,972	292,651,500
Indirect costs incurred:			
Manufacturing expenses	110,430,984	122,783,002	118,259,000
General and administrative expenses	82,530,979	94,498,662	90,784,615
Cost of goods and services produced	481,174,490	534,850,636	501,695,115
Increase (−) or decrease in unbilled costs	12,317,536	−11,440,265	1,202,885
Goods manufactured for inventory (−)	−648		
Cost of goods and services sold	493,491,378	523,410,371	502,898,000
Net income for the year	1,799,157		
Analysis of retained earnings:			
Retained earnings or deficit (−), beginning of year	−329,806	1,426,213	1,426,213
Adjustment of prior-year receivables	6,407		
Adjustment of prior-year payables	−9,679		
Inventory adjustment charged to prior year expense	−39,866		
Retained earnings, end of year	1,426,213	1,426,213	1,426,213

Financial Condition

Assets:			
Cash with Treasury	$259,431,824	$186,431,824	$186,431,824
Accounts receivable	18,594,585	28,426,811	24,399,175
Inventories:			
Work-in-process	62,889,270	60,637,838	59,748,953
Less progress billings	23,021,986	9,330,289	9,644,289
Net unbilled costs	39,867,284	51,307,549	50,104,664
Materials and supplies	24,461,133	26,769,283	26,464,343
Net inventories	64,328,417	78,076,832	76,569,007
Advances	2,199,810	570,595	529,385
Total assets	344,554,636	293,506,062	287,929,391

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$58,795,641	$60,032,085	$57,364,214
Withdrawal credits	177,280		
Provisions for subsequent maintenance, claims, etc.	9,037,632	7,731,174	4,609,013
Total liabilities	68,010,553	67,763,259	61,973,227
Government investment:			
Principal of fund:			
Reappropriations:			
Start of year	366,930,000	256,930,000	206,930,000
Rescissions (−)	−110,000,000	−50,000,000	
End of year	256,930,000	206,930,000	206,930,000
Assets capitalized, less liabilities assumed:			
Start of year	20,187,148	18,187,870	17,386,590
Assets capitalized	1,700,957	5,325,843	
Liabilities assumed (−) or canceled	−3,700,235	−6,127,123	213,361
End of year	18,187,870	17,386,590	17,599,951
Total principal	275,117,870	224,316,590	224,529,951
Retained earnings	1,426,213	1,426,213	1,426,213
Total Government investment	276,544,083	225,742,803	225,956,164

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$337,583,637	$259,431,824	$186,431,824	$186,431,824
Unfilled military assistance fund reservations		1,197,420	970,125	
Total unexpended balance	337,583,637	260,629,244	187,401,949	186,431,824
Obligated balance, net:				
Current liabilities	44,039,981	58,795,641	60,032,085	57,364,214
Obligations other than liabilities (unpaid undelivered orders)	98,784,323	75,814,420	69,335,553	67,110,301
Accounts receivable (−)	−18,966,506	−18,594,585	−28,426,811	−24,399,175
Unbilled balance of customer orders (−)	−348,722,220	−317,260,099	−299,571,239	−247,606,896
Total obligated balance	−224,864,422	−201,244,623	−198,630,412	−147,531,556
Unobligated balance	562,448,059	461,873,867	386,032,361	333,963,380

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY			
Total number of permanent positions	53,454	57,217	53,793
Full-time equivalent of all other positions	391	374	314
Average number of all employees	50,541	55,218	52,955
Number of employees at end of year	50,299	53,790	53,052
Average GS grade and salary	6.4 $4,926	6.6 $5,068	6.6 $5,092
Average salary of ungraded positions	$4,750	$4,768	$4,770
01 Personal services:			
Permanent positions	$238,709,261	$267,269,654	$262,526,913
Positions other than permanent	1,047,322	1,058,990	881,820
Other personal services	10,327,240	7,201,254	6,039,127
Excess of annual leave earned over leave taken	4,163,522	3,686,818	
Excess of annual leave taken (−) over leave earned			−258,947
Total personal services	254,247,345	279,216,716	269,188,913
02 Travel	4,488,337	5,827,808	5,760,270
03 Transportation of things	11,455,889	11,227,441	4,923,915
04 Communication services	1,989,647	2,163,284	2,104,108
05 Rents and utility services	5,779,657	6,896,996	7,032,214
06 Printing and reproduction	408,393	598,619	598,083
07 Other contractual services	122,880,675	133,230,359	120,046,447
08 Supplies and materials	68,005,881	70,006,552	68,546,562
09 Equipment	7,480,566	10,744,357	8,359,674
11 Grants, subsidies, and contributions		17,336,911	17,047,007
13 Refunds, awards, and indemnities	154,161	217,260	208,500
15 Taxes and assessments	486,011	461,323	483,282
Total accrued expenditures	477,376,562	537,927,626	504,298,975
Decrease (−) in unpaid undelivered orders and advances made	−21,981,052	−8,108,082	−2,266,462
Total, Department of the Army	455,395,510	529,819,544	502,032,513
ALLOCATION ACCOUNTS			
Total number of permanent positions	9	1	
Full time equivalent of all other positions	3		
Average number of all employees	8	1	
Number of employees at end of year	1		

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DEPARTMENT OF THE ARMY—Continued

Intragovernmental funds—Continued

ARMY INDUSTRIAL FUND—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
Average GS grade and salary	5.3 $4,666	7.0 $5,318	
01 Personal services:			
Permanent positions	$25,325	$2,222	
Positions other than permanent	10,566	1,769	
Payment above basic rates	782		
Total personal services	36,673	3,991	
02 Travel	959	400	
03 Transportation of things	197	55	
04 Communication services	39	10	
05 Rents and utility services	203	25	
07 Other contractual services	137,335	480	
08 Supplies and materials	6,015	1,440	
09 Equipment	2,915	1,475	
10 Lands and structures	331		
11 Grants, subsidies, and contributions		190	
13 Refunds, awards, and indemnities	175	50	
15 Taxes and assessments	192	40	
Total, allocation accounts	185,034	8,156	
Total obligations	455,580,544	529,827,700	$502,032,513
Obligations are distributed as follows:			
Department of the Army	$455,395,510	$529,819,544	$502,032,513
Department of Agriculture	33,806	6,819	
Department of Commerce	6,433		
Department of Health, Education, and Welfare	12,527		
Department of the Interior	4,839	1,337	
Atomic Energy Commission	127,429		

ARMY MANAGEMENT FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Defense telephone service, Washington, D. C.	$5,230,097	$5,316,000	$5,392,000
2. U. S. Army, Europe, construction activity	4,871,148	2,730,000	2,443,000
Total obligations	10,101,245	8,046,000	7,835,000
Financing:			
Unobligated balance brought forward	1,000,000	1,090,734	1,000,000
Advances and reimbursements from—			
Other accounts	10,182,899	7,945,266	7,825,000
Non-Federal sources	9,080	10,000	10,000
Unobligated balance carried forward	−1,090,734	−1,000,000	−1,000,000
Total financing	10,101,245	8,046,000	7,835,000

This fund was created to facilitate operations which are financed by two or more appropriations (5 U. S. C. 172e). The corpus of the fund consists of $1 million. The activities presently financed include:

1. The defense telephone service, Washington, which finances the operations of the telephone service of the Department of Defense, Washington, D. C.

2. The U. S. Army, Europe, construction activity, which finances certain administrative and overhead expenses of the Department of Defense construction programs in Western Europe.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	653	359	336
Average number of all employees	608	353	330
Number of employees at end of year	539	353	330
Average GS grade and salary	7.6 $5,622	6.4 $5,089	6.2 $5,079

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$3,309,605	$1,797,600	$1,680,100
Other personal positions	451,300	466,500	392,500
Total personal services	3,760,905	2,264,100	2,072,600
02 Travel	103,439	87,300	78,600
03 Transportation of things	20,540	9,600	9,600
04 Communication services	4,347,207	4,396,800	4,484,200
05 Rents and utility services	46,837	47,400	53,600
06 Printing and reproduction	162,764	162,200	159,800
07 Other contractual services	714,763	69,500	63,800
Services performed by other agencies	902,769	873,700	786,200
08 Supplies and materials	36,155	15,700	14,200
09 Equipment	2,117	100	100
11 Grants, subsidies, and contributions		116,000	109,000
13 Refunds, awards, and indemnities	827	2,000	1,800
15 Taxes and assessments	2,922	1,600	1,500
Total obligations	10,101,245	8,046,000	7,835,000

ARMY STOCK FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Army clothing and equipage	$187,586,262	$144,000,000	$144,100,000
Army subsistence	529,290,555	538,000,000	460,000,000
Chemical supplies	2,688,043	3,300,000	3,200,000
Defense supply service	2,194,250	2,150,000	2,300,000
Engineer supplies	69,649,617	65,000,000	72,000,000
General quartermaster supplies	231,338,441	226,000,000	212,100,000
Medical-dental supplies	28,434,804	23,000,000	27,100,000
Ordnance tank-automotive supplies	124,115,943	155,000,000	167,000,000
Other ordnance supplies	64,033,026	55,000,000	80,000,000
Signal supplies	69,422,148	68,550,000	88,500,000
Transportation supplies	5,565,686	4,000,000	3,700,000
Single manager clothing and textiles	129,623,689	297,000,000	256,000,000
Single manager subsistence	733,041,678	700,000,000	680,000,000
Gross program	2,176,984,142	2,281,000,000	2,196,000,000
Less intrafund transactions	483,924,000	511,460,000	420,342,000
Total program (obligations)	1,693,060,142	1,769,540,000	1,775.658,000
Financing:			
Sale of goods:			
Army clothing and equipage	201,116,616	170,000,000	164,000,000
Army subsistence	525,272,537	495,000,000	460,000,000
Chemical supplies	5,109,279	4,500,000	4,200,000
Defense supply service	2,225,578	2,150,000	2,300,000
Engineer supplies	103,334,801	90,000,000	82,000,000
General quartermaster supplies	267,372,508	253,700,000	224,800,000
Medical-dental supplies	37,513,727	26,000,000	23,200,000
Ordnance tank-automotive supplies	285,560,558	225,000,000	205,000,000
Other ordnance supplies	182,638,761	140,000,000	125,000,000
Signal supplies	115,096,936	103,150,000	98,000,000
Transportation supplies	6,237,579	6,500,000	5,500,000
Single manager clothing and textiles	169,168,928	346,753,600	344,000,000
Single manager subsistence	732,213,911	715,000,000	680,000,000
Total sales	2,632,861,719	2,577,753,600	2,418,000,000
Less:			
Intrafund sales	483,924,000	459,460,000	420,342,000
Withdrawal credit sales	14,246,400	6,753,600	
Net reimbursable sales	2,134,691,319	2,111,540,000	1,997,658,000
Increase or decrease (−) in unfilled customer orders	28,723,991	−10,889,217	−11,403,000
Adjustment of prior year revenue	−33,059,500	325,234	
Anticipated reimbursements for deliveries of materiel common to U. S. requirements ordered by military assistance in current year	133,893,522	227,081,163	
Total amount becoming available	2,264,249,332	2,328,057,180	1,986,255,000
Unobligated balance brought forward	859,853,246	679,244,732	774,879,025
Unobligated balance (anticipated reimbursements to be earned for military assistance fund reservations) transferred to (−) or from other Army accounts	−41,975,775	1,617,113	
Total amounts available	3,082,126,803	3,008,919,025	2,761,134,025
Rescission (70 Stat. 678)	−357,000,000		
Transferred to—			
"Military construction, Army" (70 Stat. 678)	−202,000,000		
"Military personnel," Army (71 Stat. 313 and 1959 appropriation act)		−350,000,000	−225,000,000
Deliveries of materiel common to U. S. requirements ordered by military assistance	−150,821,929	−114,500,000	−140,655,121
Unobligated balance carried forward	−679,244,732	−774,879,025	−619,820,904
Financing applied to program	1,693,060,142	1,769,540,000	1,775,658,000

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This fund finances the procurement and maintenance of inventories of common-use items for resale and for mobilization reserve. These inventories include approximately 686,000 line items, or 90% of the line items in the Army's total inventory.

Stock fund operations are organized under the management of 7 technical services and are detailed in the schedules by 13 categories of material. These categories include the two Army single-manager assignments covering continental U. S. depot inventories of clothing and subsistence for all the military services. Sales of inventories held by the two single managers are generally made to the retail stock funds of all military services at continental U. S. stations and oversea areas for resale to the consuming appropriations. Inventories of other categories are sold directly to the consuming appropriations.

The net increase in capitalized inventories during 1957 was $930.3 million. Included in this net increase is $530.1 million of clothing and textile inventory received from the other services. Also during the year $155.2 million of medical-dental inventories were decapitalized to permit establishment of the Navy's medical-dental single-manager assignment. The remaining part of the capitalized inventories resulted from the extension of stock fund operations to the Southeastern Europe Task Force and from receipt of material without reimbursement. The fund will be extended hereafter to include to the maximum extent practicable the stocks at all major posts, camps, and stations along with additional categories of ordnance and aircraft supplies and spare parts. The statements printed herein do not reflect these further extensions.

During 1957 the Army initiated new accounting and reporting procedures which are resulting in continued improvements in supply, accounting, and financial data, and in turn in improved supply management.

Changes in inventory capitalized under each category are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Army clothing and equipage	−$1,558,099,845	−$27,200,000	−$800,000
Army subsistence	18,879,621		
Chemical supplies	2,913,284		
Defense supply service	7,635	7,000	7,000
Engineer supplies	62,780,971	−1,823,000	3,477,000
General quartermaster supplies	164,140,835	10,850,000	6,350,000
Medical-dental supplies	−146,418,512	−3,997,000	279,000
Ordnance-tank automotive supplies	275,673,772	42,857,159	34,587,000
Other ordnance supplies	113,299,705	30,792,044	22,980,000
Signal supplies	79,993,146	23,211,154	12,000,000
Transportation supplies	939,563	892,264	630,000
Single-manager clothing and textiles	1,973,317,203	106,534,000	7,500,000
Single-manager subsistence	6,685,173	1,400,000	1,400,000
Total inventories capitalized during year (net of decapitalizations)	994,112,551	183,523,621	88,410,000
Decrease (−) in undelivered purchases to be paid from other accounts	−42,716,353	−8,613,925	−2,000,000
Withdrawal credits established (−), net	−21,000,000		
Sales returns credits canceled		29,795,675	35,000
Charges (−) against capital for loss or disposal of inventory surplus at time of capitalization	−116,537		
Net change in capitalized inventories	930,279,661	204,705,371	86,445,00

Budget program.—The net obligation program for 1959 is $82.7 million higher than for 1957 and includes an increase of over $100 million in the single-manager clothing and textile category to meet other service requirements which were not a part of the 1957 program. This increase in the clothing and textile category is offset in part by decreases in other categories resulting primarily from reductions in customers' requirements.

Net obligations are approximately 85% of net sales in 1958 and 88% in 1959. In 1957, only about 80% of the net sales required replacement. This increased percentage of sales replacement reflects a decrease in the utility of the long-supply inventories that remain under the fund. Of the total reduction in inventory of $1,689.8 million that is estimated to occur in 1958 and 1959 only $630 million is expected to be accomplished through sales at standard prices without replacement. The budget program provides for year-end inventories as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Army clothing and equipage:			
Operating stocks	$141,742,969	$89,233,785	$71,560,785
Mobilization reserve stocks	25,583,000	25,583,000	25,583,000
Excess or surplus stocks awaiting disposal	50,263,000	26,263,000	6,736,000
Army subsistence:			
Operating stocks	103,916,500	96,220,153	96,220,153
Mobilization reserve stocks	31,862,000	31,862,000	31,862,000
Excess or surplus stocks awaiting disposal	92,653		
Chemical supplies:			
Operating stocks	26,893,374	12,365,986	6,198,986
Mobilization reserve stocks	14,268,000	14,268,000	14,268,000
Excess or surplus stocks awaiting disposal	12,606,412	16,976,000	14,178,000
Defense supply service: Operating stocks	556,214	563,214	570,214
Engineer supplies:			
Operating stocks	442,969,068	320,313,068	238,404,068
Mobilization reserve stocks	153,911,000	155,485,000	170,903,000
Excess or surplus stocks awaiting disposal	157,564,865	155,064,865	131,664,865
General quartermaster supplies:			
Operating stocks	301,325,203	237,289,203	195,368,203
Mobilization reserve stocks	145,922,000	152,785,000	156,885,000
Excess or surplus stocks awaiting disposal	27,976,401	28,793,401	25,626,401
Medical-dental supplies:			
Operating stocks	16,922,276	11,391,276	8,221,276
Mobilization reserve stocks	21,111,000	21,744,000	27,444,000
Excess or surplus stocks awaiting disposal	2,504,000	2,855,000	1,937,000
Ordnance tank-automotive supplies:			
Operating stocks	1,490,481,222	1,188,522,222	903,207,222
Mobilization reserve stocks	169,758,000	173,758,000	193,058,000
Excess or surplus stocks awaiting disposal	197,313,000	254,798,000	251,741,000
Other ordnance supplies:			
Operating stocks	1,038,761,384	817,269,384	667,323,384
Mobilization reserve stocks	155,047,000	160,963,000	170,063,000
Excess or surplus stocks awaiting disposal	201,928,000	193,417,000	95,975,000
Signal supplies:			
Operating stocks	417,355,014	344,525,000	262,563,000
Mobilization reserve stocks	56,977,000	67,904,000	75,957,000
Excess or surplus stocks awaiting disposal	54,396,000	57,496,000	63,796,000
Transportation supplies:			
Operating stocks	30,677,067	26,841,000	24,039,000
Mobilization reserve stocks	21,724,000	23,528,000	24,028,000
Excess or surplus stocks awaiting disposal	17,614,000	15,117,000	7,401,000
Single-manager clothing and textiles:			
Operating stocks	906,033,353	852,482,533	764,420,533
Mobilization reserve stocks	951,522,000	951,522,000	951,522,000
Excess or surplus stocks awaiting disposal	3,995,191	4,937,000	35,687,000
Single-manager subsistence:			
Operating stocks	116,202,001	91,399,195	92,599,195
Mobilization reserve stocks	31,320,545	42,308,000	42,308,000
Summary:			
Operating stocks	5,033,835,645	4,088,416,019	3,330,696,019
Mobilization reserve stocks	1,779,005,545	1,821,710,000	1,883,881,000
Excess or surplus stocks awaiting disposal	726,253,522	755,717,266	634,742,266
Total inventories	7,539,094,712	6,665,843,285	5,849,319,285

Financing operations.—Funds for financing the budget program are derived from sales to authorized customers. Excluding sales of the single-manager clothing and textile category which was not fully established until 1958, net sales in 1958 and 1959 decrease 11% and 16%, respectively, from the 1957 level. This reflects the reduced requirements of the operating appropriations.

Cash receipts will continue to exceed cash expenditures in 1958 and 1959. In 1959, $225 million is proposed for transfer to another appropriation. This will bring the total rescissions and transfers through that period to $2,419.5 million.

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DEPARTMENT OF THE ARMY—Continued

Intragovernmental funds—Continued

ARMY STOCK FUND—Continued

Operating results.—Net losses of $607.6 million and $678 million are estimated for 1958 and 1959, respectively, compared to $388.7 million in 1957. These losses are due in large measure to disposal or donation of excess and surplus stocks. The analysis of inventories, to identify stocks which would be more economical for the Government to dispose of than to retain, is being accelerated in 1958 and 1959. The losses increase in proportion to the volume of the disposal program.

Other significant factors which contributed to the 1957 operating loss and are not projected in 1958 or 1959 include a net inventory loss of $59.7 million (primarily a large accounting adjustment for ordnance tank-automotive supplies), an $11.6 million loss resulting from sales prices on petroleum products not being increased rapidly enough to cover abruptly increased product and transportation costs during the year, and an $8 million loss in some other categories in which standard prices were insufficient to cover all normal costs. The operating losses in 1957 and 1958 are offset by $41.2 million and $17.3 million, respectively, from a net markup of inventory values due to revision of standard prices to reflect the cost of current purchases.

The $4 million adjustment of prior-year income in 1957 is a net change from a $33 million decrease in accounts receivable and $29 million decrease in accounts payable from the balances shown in those accounts on June 30, 1956. This results mainly from a $28.9 million overstatement of sales of ordnance tank-automotive supplies in prior years and an overstatement of prior year payables of $20.4 million in the Army clothing and textile category.

Financial condition.—Liabilities outstanding at the end of 1957 include $6.8 million in stock withdrawal credits, which represents the unused balance of the credits granted the Air Force stock fund at the time of transfer of Air Force depot stocks of clothing and textiles to the single manager; and $43.2 million in unapplied sales return credits. Both of these are applicable only to requisitions which were submitted prior to June 30, 1957. About 60% of these amounts were not applied to requisitions and have been recorded as additional capitalization in 1958.

The Government investment in the fund as of June 30, 1957, is estimated at $6,629.4 million, made up of $10,738.5 million capitalized inventory less $1,994.9 million of net rescissions of appropriations and reappropriations, and $2,114.2 million of deficit.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale, net	$1,697,762,972	$1,553,487,585	$1,659,461,251
Transportation	74,105,264	70,491,000	68,604,000
Repair of unserviceable inventory	28,023,079	51,030,000	47,641,000
Increase (−) in accounts payable, net	−36,122,603	−4,001,355	−4,706,251
Increase or decrease (−) in advances	2,208,801	−7,230	
Total gross expenditures	1,765,977,513	1,671,000,000	1,771,000,000
Receipts from operations (funds provided):			
Reimbursable sales	2,134,691,319	2,111,540,000	1,997,658,000
Increase (−) or decrease in accounts receivable, net	−6,095,580	−20,540,000	26,342,000
Total receipts from operations	2,128,595,739	2,091,000,000	2,024,000,000
Budget expenditures	−362,618,226	−420,000,000	−253,000,000

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue: Net sales	$2,148,937,719	$2,118,293,600	$1,997,658,000
Expense:			
Cost of goods purchased, net	1,697,762,972	1,553,487,585	1,659,461,251
Transportation	74,105,264	70,491,000	68,604,000
Repair of unserviceable inventory	28,023,079	51,030,000	47,641,000
Inventory decrease from operations	312,002,230	430,338,389	199,630,000
Inventory losses, net	59,744,332	2,891,000	13,143,000
Loss on disposal of inventory at less than standard prices	383,101,790	615,787,000	669,455,000
Charges (−) to capital for loss or disposal of inventory surplus at time of capitalization	−116,537		
Total operating expense	2,554,623,130	2,724,024,974	2,657,934,251
Operating loss (−)	−405,685,411	−605,731,374	−660,276,251
Markup of inventory due to revision of standard prices	41,236,250	17,295,000	
Donations (−) for education, public health, or civil defense (40 U. S. C. 484) (j) (1), (2))	−24,216,716	−19,200,000	−17,720,000
Net loss (−) for the year	−388,665,877	−607,636,374	−677,996,251
Analysis of deficit (−):			
Deficit (−), beginning of year	−436,194,755	−828,874,699	−1,436,209,922
Adjustment of prior year income and expense	−4,014,067	301,151	
Deficit (−), end of year	−828,874,699	−1,436,209,922	−2,114,206,173

Financial Condition

Assets:			
Cash with Treasury	$419,399,725	$489,399,725	$517,399,725
Accounts receivable, gross	353,028,792	374,354,026	348,354,026
Less intrafund receivables	21,739,000	22,199,000	22,541,000
Accounts receivable, net	331,289,792	352,155,026	325,813,026
Inventories	7,539,094,712	6,665,843,285	5,849,319,285
Advances	4,570,650	4,563,420	4,563,420
Due in from undelivered purchases to be paid from other accounts	10,613,925	2,000,000	
Total assets	8,304,968,804	7,513,961,456	6,697,095,456
Liabilities:			
Current:			
Accounts payable	78,215,794	82,701,232	87,749,483
Less intrafund payables	21,739,000	22,199,000	22,541,000
Accounts payable, net	56,476,794	60,502,232	65,208,483
Other liabilities:			
Stock withdrawal credits	6,753,600		
Unapplied sales return credits	43,167,228	7,517,894	2,496,894
Total current liabilities	106,397,622	68,020,126	67,705,377
Government investment:			
Principal of fund:			
Start of year	8,656,166,220	9,027,445,881	8,882,151,252
Rescission (70 Stat. 680)	−357,000,000		
Transferred to—			
"Military construction, Army" (70 Stat. 678)	−202,000,000		
"Military personnel," Army (71 Stat. 313 and 1959 appropriation act		−350,000,000	−225,000,000
Net change in capitalized inventories	930,279,661	204,705,371	86,445,000
End of year	9,027,445,881	8,882,151,252	8,743,596,252
Deficit (−)	−828,874,699	−1,436,209,922	−2,114,206,173
Total Government investment	8,198,571,182	7,445,941,330	6,629,390,079

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$615,781,499	$419,399,725	$489,399,725	$517,399,725
Unfilled military assistance fund reservations	175,597,394	116,693,212	230,891,488	90,236,367
Total unexpended balance	791,378,893	536,092,937	720,291,213	607,636,092
Obligated balance, net:				
Accounts payable (gross)	83,899,624	78,215,794	82,701,232	87,749,483
Intrafund payables (−)	−34,500,000	−21,739,000	−22,199,000	−22,541,000
Other obligations, gross:				
Unpaid undelivered orders and unperformed contracts	431,520,846	351,526,305	498,040,867	497,992,616

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Status of Certain Fund Balances—Continued

	1956 actual	1957 actual	1958 estimate	1959 estimate
Obligated balance, net—Continued				
Intrafund other obligations (−)			−$52,000,000	−$52,000,000
Accounts receivable, net (−)	−$358,253,712	−$331,289,792	−352,155,026	−325,813,026
Unfilled customer orders (−)	−191,141,111	−219,865,102	−208,975,885	−197,572,885
Total obligated balance	−68,474,353	−143,151,795	−54,587,812	−12,184,822
Unobligated balance	859,853,246	679,244,732	774,879,025	619,820,904

Object Classification

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$73,709,389	$70,491,100	$68,604,100
07	Other contractual services	30,072,936	59,510,400	50,150,400
08	Supplies and materials	1,516,775,372	1,571,202,840	1,593,675,200
09	Equipment	72,502,445	68,335,660	63,228,300
	Total obligations	1,693,060,142	1,769,540,000	1,775,658,000

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sales of subsistence, clothing, etc	$159,392,717	$170,000,000	$163,000,000
2. Research and development	9,891,304	3,610,879	2,150,000
3. Military personnel on duty with other agencies	4,518,206	5,067,000	6,100,000
4. Construction	6,786,529	10,000,000	10,000,000
5. Miscellaneous	4,972,103	7,169,887	5,302,500
6. Prior year advances returned	1,443,968	167,283	
Total obligations	187,004,827	196,015,049	186,552,500
Financing:			
Unobligated balance brought forward	5,407,592	3,608,393	835,349
Advances and reimbursements from—			
Other accounts	63,026,101	63,242,707	62,902,500
Non-Federal sources	122,420,348	130,000,000	123,000,000
Unobligated balance carried forward	−3,608,393	−835,349	−185,349
Unobligated balance no longer available	−240,821	−702	
Total financing	187,004,827	196,015,049	186,552,500

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,217	1,215	999
	Average number of all employees	1,188	1,084	939
	Number of employees at end of year	1,391	978	957
	Average GS grade and salary	8.0 $5,713	8.0 $5,650	7.4 $5,325
	Average salary of ungraded positions	$5,003		
01	Personal services:			
	Permanent positions	$5,588,755	$5,523,700	$4,751,300
	Other personal services	270,102	73,000	70,000
	Total civilian	5,858,857	5,596,700	4,821,300
	Military	4,518,206	5,067,000	6,100,000
	Total personal services	10,377,063	10,663,700	10,921,300
02	Travel	1,019,782	2,337,200	2,142,700
03	Transportation of things	7,282	4,400	3,600
04	Communication services	14,911	92,434	140,400
05	Rents and utility services	9,406	11,200	10,700
06	Printing and reproduction	7,656	9,200	5,000
07	Other contractual services	11,497,518	10,454,453	9,203,980
08	Supplies and materials	160,057,582	168,475,355	161,684,500
09	Equipment	407,459	185,500	189,500
10	Lands and structures	2,101,997	3,187,754	1,836,250
11	Grants, subsidies, and contributions		333,420	302,420
13	Refunds, awards, and indemnities	1,443,968	167,383	100
15	Taxes and assessments	60,203	93,050	112,050
	Total obligations	187,004,827	196,015,049	186,552,500

Proposed for later transmission:

Military Personnel

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Pay and allowances of military personnel (total obligations)			$164,000,000
Financing:			
Proposed supplemental appropriation			164,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

Reserve Personnel

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Army Reserve (total obligations)			$12,000,000
Financing:			
Proposed supplemental appropriation			12,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

Army National Guard

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Military personnel (total obligations)			$8,000,000
Financing:			
Proposed supplemental appropriation			8,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

Military Construction, Army

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public works construction			$162,838,476
2. Minor construction			7,900,000
3. Planning			8,500,000
4. Supporting activities			9,500,000
Total obligations			188,738,476

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DEPARTMENT OF THE ARMY—Continued

Proposed for later transmission—Continued

MILITARY CONSTRUCTION, ARMY—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance carried forward			$131,261,524
Proposed supplemental appropriation			320,000,000

Under proposed legislation, 1959.—Legislation will be proposed to provide additional authorization for acquisition and construction of facilities for the Department of the Army within the United States and overseas. Additional funds are anticipated to finance this proposed legislation.

DEPARTMENT OF THE NAVY

Current authorizations:

MILITARY PERSONNEL, NAVY

For pay, allowances, subsistence, interest on deposits, gratuities, clothing, permanent change of station travel (including expenses of temporary duty between permanent duty stations), training duty travel of midshipmen paid hereunder, and transportation of dependents, household effects (including storage thereof), and privately owned automobiles, as authorized by law, for regular and reserve personnel on active duty (except those on active duty while undergoing reserve training), midshipmen at the Naval Academy, and aviation cadets, [$2,295,000,000] *$2,301,818,000*, and in addition, [$70,000,000 to be derived by transfer from the Navy Industrial Fund, $20,000,000 to be derived by transfer from the Marine Corps Stock Fund, and] $100,000,000 to de derived by transfer from the Navy Stock Fund [: *Provided*, That no part of this or any other appropriation shall be used to pay any officer, while on active duty as Governor of the Naval Home, any amount in excess of the maximum pay and allowances of a rear admiral, upper half]. *(37 U. S. C. 3a–320; 10 U. S. C. 5401–6488; 38 U. S. C. 691, 1011–16; 70 Stat. 857; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$2,295,000,000** Estimate 1959, **$2,301,818,000**
Appropriated (adjusted) 1958, **$2,287,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Pay and allowances	$2,198,764,286	$2,198,556,000	$2,130,618,000
2. Subsistence in kind	153,245,300	153,401,000	147,880,000
3. Movements, permanent change of station	119,865,715	122,149,000	120,406,000
4. Other costs	2,466,635	2,894,000	2,914,000
Total obligations	2,474,341,936	2,477,000,000	2,401,818,000
Financing:			
Unobligated balance transferred (71 Stat. 316) from—			
"Navy stock fund"		−100,000,000	−100,000,000
"Navy industrial fund"		−70,000,000	
"Marine Corps stock fund"		−20,000,000	
Unobligated balance no longer available	3,974,064		
New obligational authority	2,478,316,000	2,287,000,000	2,301,818,000
New obligational authority:			
Appropriation	$2,478,316,000	$2,295,000,000	$2,301,818,000
Transferred to "United States scientific satellite" (71 Stat. 428)		−8,000,000	
Appropriation (adjusted)	2,478,316,000	2,287,000,000	2,301,818,000

The number of Navy personnel provided for is shown in the following table:

AVERAGE NUMBER

	1957 actual	*1958 estimate*	*1959 estimate*
Officers	72,518	71,718	69,682
Enlisted	595,700	575,064	556,552
Naval Academy midshipmen	3,634	3,555	3,387
Aviation cadets	2,245	1,742	1,561
Officer candidates	1,330	734	1,081
Aviation officer candidates	368	210	184
Total	675,795	653,023	632,447

YEAR-END NUMBER

	1957 actual	*1958 estimate*	*1959 estimate*
Officers	73,703	70,600	68,670
Enlisted	597,859	568,100	555,186
Naval Academy midshipmen	2,635	3,528	3,535
Aviation cadets	1,874	1,823	1,716
Office candidates	780	786	698
Aviation officer candidates	257	163	195
Total	677,108	645,000	630,000

1. *Pay and allowances.*—This provides for the pay and allowances of military personnel including midshipmen at the U. S. Naval Academy, aviation cadets, and officer candidates.

Provision is made for amounts otherwise available as quarters allowances to be paid (1) in an estimated amount of $0.6 million in 1958 and $5.5 million in 1959 to the revolving fund for "Acquisition, rehabilitation, and rental of Wherry Act housing," in cases where such housing is assigned as public quarters, and (2) as mortgage payments on Capehart housing.

The Capehart program authorized under title VIII of the National Housing Act, as amended (69 Stat. 646), provides for the acquisition of family housing built on military installations with financing obtained through mortgages which are insured by the Federal Housing Administration. These mortgages are amortized over a 25-year period from quarters allowances to which military personnel assigned to occupy these public quarters would otherwise be entitled and from rentals paid by civilian personnel whose duties require their occupancy of Government quarters. The following schedule indicates the payments from the quarters allowance portion of this appropriation to be applied to reduction of the principal obligations, to pay interest on the unpaid balance at 4% per annum, and to pay the insurance premiums on the mortgages.

	1957 actual	*1958 estimate*	*1959 estimate*
Mortgage indebtedness:			
Mortgage debt at start of year			
Amount of mortgages executed during year			$21,080,000
Payments applied to reduce principal			−$180,000
Mortgage debt at end of year			$20,900,000
Mortgage payments:			
Amortization of principal			$180,000
Interest expense			$343,400
Insurance premium expense			$21,600
Total mortgage payments			$545,000
Number of housing units:			
Beginning of year			
Completed during year			1,360
End of year			1,360
Average occupied during year			565

In addition, provision is made for payment for proficiency advancements to selected enlisted personnel in critical-skill areas and for the Government's contribution to the Federal old-age and survivors' insurance trust fund under the Servicemen's and Veterans' Survivor Benefits Act. It also provides for purchase of individual clothing for initial issue to enlisted personnel and payment of clothing maintenance allowances to enlisted personnel. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission."

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2. *Subsistence in kind.*—This provides for the purchase of food supplies for issue as rations to enlisted personnel, including emergency rations, flight rations, and operational rations.

3. *Movements, permanent change of station.*—This provides for permanent change of station travel for individuals, and groups of military personnel and their dependents, including dislocation and separation travel allowances, storage of household effects in commercial facilities, and transportation of personal property. Payment for travel services furnished by the Military Sea Transportation Service and (in 1959) by the Military Air Transport Service is included.

4. *Other costs.*—This provides for apprehension of deserters, absentees, and escaped military prisoners, payment of interest on deposits, payment of death gratuities to beneficiaries of military personnel, and payment of premiums on servicemen's mortgage insurance.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Military	$2,152,264,912	$2,140,310,000	$2,088,103,000
02	Travel	64,856,688	71,379,000	73,313,000
03	Transportation of things	43,053,623	39,878,000	37,187,000
05	Rents and utility services		2,053,000	3,128,000
07	Other contractual services	11,845,958	12,518,000	11,806,000
08	Supplies and materials	149,737,591	152,162,000	146,238,000
12	Pensions, annuities, and insurance claims	35,770,204	27,968,000	12,046,000
14	Interest	428,960	478,000	452,000
15	Taxes and assessments	16,384,000	30,254,000	29,545,000
	Total obligations	2,474,341,936	2,477,000,000	2,401,818,000

Reserve Personnel, Navy

For pay, allowances, clothing, subsistence, gratuities, and travel, as authorized by law, for personnel of the Naval Reserve on active duty while undergoing reserve training, or while performing drills or equivalent duty, regular and contract enrollees in the Naval Reserve Officers' Training Corps, and retainer pay authorized by [the Act of August 13, 1946 (10 U. S. C. 6908), $86,000,000] *section 6908 of title 10, United States Code, $84,735,000. (37 U. S. C. 232–305; 10 U. S. C. 6081–6086; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$86,000,000** Estimate 1959, **$84,735,000**
Appropriated (adjusted) 1958, **$83,268,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Reserve personnel	$76,980,930	$75,852,000	$76,965,000
2. Reserve officer candidates	6,934,382	7,416,000	7,770,000
Total obligations	83,915,312	83,268,000	84,735,000
Financing:			
Unobligated balance no longer available	6,084,688		
New obligational authority	90,000,000	83,268,000	84,735,000
New obligational authority:			
Appropriation	$95,000,000	$86,000,000	$84,735,000
Transferred to—			
"Emergency fund" (71 Stat. 313)		−2,732,000	
"Servicewide supply and finance" (71 Stat. 178)	−5,000,000		
Appropriation (adjusted)	90,000,000	83,268,000	84,735,000

This appropriation provides for pay and allowances, subsistence, clothing and travel costs of Navy reservists and Reserve officer candidates. The Reserve personnel program is summarized in the following table:

NAVAL RESERVE PERSONNEL STRENGTH

[In paid status]

	1956 actual	*1957 actual*	*1958 planned*	*1959 proposed*
End of year:				
Officers	38,557	38,576	36,209	34,028
Enlisted	124,899	115,864	111,997	111,178
Total	163,456	154,440	148,206	145,206
Average:				
Officers	37,053	37,988	36,149	34,565
Enlisted	124,628	118,920	108,010	109,497
Total	161,681	156,908	144,159	144,062

The program provides 48 paid drills and 15 days of active duty training for personnel assigned to aviation squadrons, enlisted training units, units required immediately upon mobilization, staff and faculty of officer schools, and selected mobilization billets. Twenty-four paid drills are provided for other mobilization assignees, and for reservists assigned to the administration of volunteer units. Reservists whose mobilization duties do not require frequent inactive duty training are given active duty training only. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission." Estimated strengths for training categories for 1959 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	24,429	23,255	22,806
		Enlisted	110,351	107,853	109,535
24	15	Officers	2,870	2,400	2,312
		Enlisted	350	348	347
0	15	Officers	8,910	8,910	8,910
		Enlisted	1,000	1,000	1,000
0	30	do	140	140	140
0	180	do	156	156	156
		Total	148,206	144,062	145,206
		Officers	36,209	34,565	34,028
		Enlisted	111,997	109,497	111,178

During 1959 the Reserve Officers' Training Corps program will be conducted at 53 institutions. Details of the program are summarized below:

Type of program	*1956 actual*	*1957 actual*	*1958 planned*	*1959 proposed*
NROTC regular	5,925	6,091	6,101	6,003
NROTC contract	6,984	7,116	7,003	7,232
Aviation college program	30	7	7	7
Reserve officer candidates	516	465	566	700

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Military	$71,531,329	$71,339,000	$72,443,000
02	Travel	8,422,374	7,568,000	7,809,000
07	Other contractual services	271,009	148,000	153,000
08	Supplies and materials	3,442,434	3,733,000	3,848,000
12	Pensions, annuities, and insurance claims	39,022	59,000	58,000
15	Taxes and assessments	209,144	421,000	424,000
	Total obligations	83,915,312	83,268,000	84,735,000

Navy Personnel, General Expenses

For expenses necessary for general training, education and administration of regular and reserve personnel, including tuition, cash book allowances of not to exceed $50 for each Naval Aviation College program student, and other costs incurred at civilian schools, general training aids and devices, procurement of military personnel, and retirement benefits for civilian members of teaching staffs; maintenance and operation of Navy training and personnel facilities, including the Naval Academy, Naval Postgraduate School, Naval War College, Naval Home, disciplinary barracks, and retraining commands; hire of motor vehicles; not to exceed $30 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude or unsuitability or otherwise than honorably; welfare and recreation; medals and other awards;

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

NAVY PERSONNEL, GENERAL EXPENSES—Continued

and departmental salaries; [$87,000,000] *$86,305,000. (10 U. S. C. 5011–13; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$87,000,000** Estimate 1959, **$86,305,000**
Appropriated (adjusted) 1958, **$85,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Training, Navy	$33,718,724	$34,504,000	$34,258,000
2. Training, Naval Reserve	7,854,691	7,900,000	8,341,000
3. Naval Academy	8,670,946	9,046,000	9,870,000
4. Personnel support	16,502,911	15,916,000	17,455,000
5. Other personnel facilities	6,329,915	6,265,000	5,835,000
6. Departmental administration	9,726,052	10,369,000	10,546,000
Total direct obligations	82,803,239	84,000,000	86,305,000
Reimbursable obligations:			
1. Training, Navy	4,979,581	5,581,000	5,671,000
2. Training, Naval Reserve	294,539	383,000	383,000
3. Naval Academy	241,862	300,000	300,000
4. Personnel support	491,839	382,000	381,000
5. Other personnel facilities	260,689	300,000	260,000
6. Departmental administration	13,987	54,000	5,000
Total reimbursable obligations	6,282,497	7,000,000	7,000,000
Total obligations	89,085,736	91,000,000	93,305,000
Financing:			
Unobligated balance brought forward (69 Stat. 438)	−5,293,167	−3,993,982	−4,988,382
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other accounts	2,255,942	5,600	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−28,249	−80,000	
All other	−3,901,224	−4,000,000	−4,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−3,310,672	−3,920,000	
Unobligated balance carried forward (69 Stat. 438)	3,993,982	4,988,382	1,988,382
Unobligated balance no longer available	1,177,652	1,000,000	
New obligational authority	83,980,000	85,000,000	86,305,000
New obligational authority:			
Appropriation	$83,980,000	$87,000,000	$86,305,000
Transferred to "United States scientific satellite" (71 Stat. 428)		−2,000,000	
Appropriation (adjusted)	83,980,000	85,000,000	86,305,000

1. *Training, Navy.*—Training and instruction of naval personnel extends from the indoctrination of recruits to technical and specialized instruction at the postgraduate level. Provision is also made for supporting services to training and for maintenance and operation of training centers, service schools for enlisted personnel and officers, the Naval War College, the Armed Forces Staff College, the Postgraduate School, the Supply Corps School, and other miscellaneous schools. Recruits trained: 1957, 92,645; 1958, 90,360; 1959, 89,856. Other personnel trained: 1957, 373,190; 1958, 385,713; 1959, 383,529.

2. *Training, Naval Reserve.*—This provides for the academic instruction of officer candidates in the Naval Reserve Officers' Training Corps units and of Reserve officers who have completed active duty under the naval aviation college program, and the maintenance and operation of Naval Reserve training facilities, except air installations. Officer candidates in training: 1957, 14,003; 1958, 14,093; 1959, 14,363. Reserve personnel in drill status: 1957, 132,354; 1958, 130,711; 1959, 130,440.

3. *Naval Academy.*—This provides for the education and training of midshipmen at the Naval Academy and the maintenance and operation of the supporting physical facilities. Number of midshipmen: 1957, 3,790; 1958, 3,772; 1959, 3,650.

4. *Personnel support.*—This provides for the recruiting of military personnel and for maintenance and operation of recruiting stations. It also provides for military personnel administration in the field, including appropriate offices in the district headquarters and at other personnel facilities, together with recreational and morale-building activities for naval personnel, such as ship and station libraries, motion-picture programs afloat and in remote areas, chaplains' supplies and equipment, the family allowance activity at Cleveland, Ohio, the naval examining center at Great Lakes, Ill., the Reserve Officers' performance recording activity at Fort Omaha, Nebr., and the Naval Reserve training command, Omaha, Nebr. The increase in this activity results principally from completing the new manpower data system.

5. *Other personnel facilities.*—This provides for maintenance and operation of receiving stations, retraining commands, the Naval personnel center at Omaha, Nebr., the Naval Home at Philadelphia, Pa., and certain personnel facilities in caretaker status.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		9,283	9,236	8,578
Full-time equivalent of all other positions		17	13	10
Average number of all employees		8,999	8,718	8,372
Number of employees at end of year		8,935	8,437	8,340
Average GS grade and salary		4.7 $4,180	4.8 $4,204	4.9 $4,228
Average salary of ungraded positions		$4,564	$4,680	$4,704
Personal service obligations:				
Permanent positions		$39,944,283	$39,819,000	$38,607,000
Positions other than permanent		80,858	44,000	30,000
Other personal services		824,640	951,000	915,000
Total personal service obligations		40,849,781	40,814,000	39,552,000
Direct obligations:				
01	Personal services:			
	Civilian	39,878,372	39,829,000	38,606,000
	Military	256,993	256,000	256,000
02	Travel	2,678,523	2,533,000	2,606,000
03	Transportation of things	192,212	200,000	200,000
04	Communication services	2,108,542	2,212,000	2,220,000
05	Rents and utility services	6,320,344	6,681,000	8,533,000
06	Printing and reproduction	2,103,914	2,138,000	2,133,000
07	Other contractual services	10,336,777	10,332,000	11,158,000
	Services performed by other agencies	1,769,777	1,614,000	1,977,000
08	Supplies and materials	13,262,167	12,963,000	13,195,000
09	Equipment	3,716,098	2,603,000	2,833,000
10	Lands and structures	2,576		
11	Grants, subsidies, and contributions	28,381	2,496,000	2,425,000
12	Pensions, annuities, and insurance claims	67,754	74,000	74,000
13	Refunds, awards, and indemnities	53,800	42,000	62,000
15	Taxes and assessments	27,009	27,000	27,000
Total direct obligations		82,803,239	84,000,000	86,305,000
Reimbursable obligations:				
01	Personal services	971,409	985,000	946,000
02	Travel	101,946	55,000	55,000
04	Communication services	122,041	137,000	138,000
05	Rents and utility services	594,716	667,000	688,000
06	Printing and reproduction	3,615	2,000	2,000
07	Other contractual services	65,490	73,000	71,000
08	Supplies and materials	1,932,070	2,024,000	2,033,000
09	Equipment	2,491,210	3,057,000	3,067,000
Total reimbursable obligations		6,282,497	7,000,000	7,000,000
Total obligations		89,085,736	91,000,000	93,305,000

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Military Personnel, Marine Corps

For pay, allowances, subsistence, interest on deposits, gratuities, clothing, permanent change of station travel (including expenses of temporary duty between permanent duty stations), and transportation of dependents, household effects (including storage thereof), and privately owned automobiles, as authorized by law, for regular and reserve personnel on active duty (except those on active duty while undergoing reserve training), [$630,000,000] *$593,606,000*. (*10 U. S. C. Subtitle C: 37 U. S. C. 31a–381; 38 U. S. C. 901; 12 U. S. C. 1715m; 70 Stat. 857; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$630,000,000** Estimate 1959, **$593,606,000**
Appropriated (adjusted) 1958, **$609,449,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Pay and allowances	$534,626,000	$522,276,000	$506,616,000
2. Subsistence in kind	45,833,327	47,444,000	44,734,000
3. Movements, permanent change of station	31,966,468	38,829,000	41,398,000
4. Other costs	4,180,950	900,000	858,000
Total direct obligations	616,606,745	609,449,000	593,606,000
Financing:			
Unobligated balance no longer available	27,493,255		
New obligational authority	644,100,000	609,449,000	593,606,000
New obligational authority:			
Appropriation	$647,100,000	$630,000,000	$593,606,000
Transferred to—			
"United States scientific satellite" (71 Stat. 428)		−7,000,000	
"Emergency fund" (71 Stat. 313)		−13,551,000	
"Servicewide supply and finance" (71 Stat. 178)	−3,000,000		
Appropriation (adjusted)	644,100,000	609,449,000	593,606,000

The number of Marine Corps personnel provided for is shown in the following table:

	Average number			*Year-end number*		
	1957 actual	*1958 estimate*	*1959 estimate*	*1957 actual*	*1958 estimate*	*1959 estimate*
Officers	17,277	16,826	16,516	17,434	16,700	16,200
Enlisted	182,810	176,524	165,178	183,427	171,300	158,800
Total	200,087	193,350	181,694	200,861	188,000	175,000

1 *Pay and allowances.*—This provides for the pay and allowances of military personnel.

Provision is made for amounts otherwise available as quarters allowances to be paid (1) in an estimated amount of $0.5 million in 1958 and $4.3 million in 1959 to the revolving fund for "Acquisition, rehabilitation, and rental of Wherry Act housing," in cases where such housing is assigned as public quarters, and (2) as mortgage payments on Capehart housing.

The Capehart program authorized under title VIII of the National Housing Act, as amended (69 Stat. 646), provides for the acquisition of family housing built on military installations with financing obtained through mortgages which are insured by the Federal Housing Administration. These mortgages are amortized over a 25-year period from quarters allowances to which military personnel assigned to occupy these public quarters would otherwise be entitled and from rentals paid by civilian personnel whose duties require their occupancy of Government quarters. The following schedule indicates the payments from the quarters allowance portion of this appropriation to be applied to reduction of the principal obligations, to pay interest on the unpaid balance at 4% per annum, and to pay the insurance premiums on the mortgages.

	1957 actual	*1958 estimate*	*1959 estimate*
Mortgage indebtedness:			
Mortgage debt at start of year			$9,184,000
Amount of mortgages executed during year		$9,220,000	$3,890,000
Payments applied to reduce principal		−$36,000	−$228,000
Mortgage debt at end of year		$9,184,000	$12,846,000
Mortgage payments:			
Amortization of principal		$36,000	$228,000
Interest expense		$68,700	$439,600
Insurance premium expense		$4,300	$27,400
Total mortgage payments		$109,000	$695,000
Number of housing units:			
Beginning of year			595
Completed during year		595	251
End of year		595	846
Average occupied during year		114	720

In addition, provision is made for payment for proficiency advancements to selected enlisted personnel in critical-skill areas and for the Government's contribution to the Federal old-age and survivors' insurance trust fund under the Servicemen's and Veterans' Survivor Benefits Act. It also provides for purchase of individual clothing for initial issue to enlisted personnel and payment of clothing maintenance allowances. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission."

2. *Subsistence in kind.*—This provides for the purchase of food supplies for issue as rations to enlisted personnel, including emergency rations, flight rations and operational rations.

3. *Movements, permanent change of station.*—This provides for permanent change of station travel for individuals, and groups of military personnel and their dependents, including dislocation and separation travel allowances, storage of household effects in commercial facilities, and transportation of personal property. Payment for travel services furnished by the Military Sea Transportation Service and (in 1959) by the Military Air Transport Service is included.

4. *Other costs.*—This provides for apprehension of deserters, absentees, and escaped military prisoners, payment of interest on deposits, payment of death gratuities to beneficiaries of military personnel, and payment of premiums on servicemen's mortgage insurance.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Military	$516,074,052	$506,644,000	$499,101,000
02	Travel	27,394,674	27,121,000	29,339,000
03	Transportation of things	9,009,671	10,263,000	10,613,000
07	Other contractual services	1,859,566	1,935,000	1,741,000
08	Supplies and materials	44,044,327	45,609,000	43,080,000
12	Pensions, annuities, and insurance claims	14,583,695	10,098,000	2,167,000
14	Interest	95,240	150,000	150,000
15	Taxes and assessments	3,545,520	7,629,000	7,415,000
	Total obligations	616,606,745	609,449,000	593,606,000

Reserve Personnel, Marine Corps

For pay, allowances, clothing, subsistence, gratuities, and travel, as authorized by law, for personnel of the Marine Corps Reserve and the Marine Corps platoon leaders class on active duty while undergoing reserve training, or while performing drills or equivalent duty, [$23,200,000] *$23,000,000*. (*10 U. S. C. 5252, 5456, 6148; 37 U. S. C. 31a–310; 69 Stat. 598; 70 Stat. 857; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$23,200,000** Estimate 1959, **$23,000,000**
Appropriated (adjusted) 1958, **$22,500,000**

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

Reserve Personnel, Marine Corps—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Reserve personnel	$18,704,015	$21,294,000	$21,800,000
2. Reserve officer candidates	546,382	1,206,000	1,200,000
Total obligations	19,250,397	22,500,000	23,000,000
Financing:			
Unobligated balance no longer available	7,549,603		
New obligational authority	26,800,000	22,500,000	23,000,000
New obligational authority:			
Appropriations	$26,800,000	$23,200,000	$23,000,000
Transferred to "United States scientific satellite" (71 Stat. 428)		−700,000	
Appropriation (adjusted)	26,800,000	22,500,000	23,000,000

This appropriation provides for pay and allowances' subsistence, clothing, and travel of Marine Corps reservists and Reserve officer candidates. The personnel program is summarized in the following table.

MARINE CORPS RESERVE PERSONNEL STRENGTH

[In paid status]

End of year:	*1956 actual*	*1957 actual*	*1958 planned*	*1959 proposed*
Officers	6,627	6,577	5,446	5,322
Enlisted	39,352	42,460	42,034	41,578
Total	45,979	49,037	47,480	46,900
Average:				
Officers	6,112	6,521	5,499	5,384
Enlisted	38,987	40,728	42,281	41,806
Total	45,099	47,249	47,780	47,190
Reserve officer candidates	1,535	2,600	2,900	3,100

The program provides 48 paid drills and 15 days of active duty training for personnel assigned to ground combat units or to aviation squadrons. Members of ground or aviation staff groups receive 24 paid drills. Those individuals receiving only 15 or 30 days' active duty training are reservists who are not able to participate in unit training because of employment and residential limitations or whose mobilization assignments do not require frequent inactive duty training. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission." Estimated strengths for training categories for 1959 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	3,939	3,852	3,765
		Enlisted	38,027	37,750	38,101
24	15	Officers	307	332	357
		Enlisted	54	62	73
0	15	Officers	1,200	1,200	1,200
		Enlisted	200	200	200
0	30	do	500	500	500
0	180	do	3,253	3,294	2,704
		Total	47,480	47,190	46,900
		Officers	5,446	5,384	5,322
		Enlisted	42,034	41,806	41,578

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services: Military	$14,014,707	$16,128,000	$16,114,000
02 Travel	3,363,470	3,055,000	3,420,000
07 Other contractual services	36,649	50,000	45,000
08 Supplies and materials	1,815,710	3,084,000	3,234,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$19,861	$14,000	$26,000
15 Taxes and assessments		169,000	161,000
Total obligations	19,250,397	22,500,000	23,000,000

Marine Corps Procurement

[Funds under this head shall be available for the purchase of not to exceed two hundred and seventy-six passenger motor vehicles, of which one hundred and seven shall be for replacement only (including three at not to exceed $2,400 each)] *For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, and vehicles for the Marine Corps, including purchase of not to exceed four hundred and seventeen passenger motor vehicles of which two hundred and thirty-five shall be for replacement only, $30,000,000, to remain available until expended. (5 U. S. C. 78; 10 U. S. C. 5031; 31 U. S. C. 718; 50 U. S. C. App. 1173; Department of Defense Appropriation Act, 1958.)*

Estimate 1959, **$30,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Ammunition and ordnance equipment	$65,820,344	$44,854,804	$73,000,000
2. Guided missiles and equipment	16,989,605	65,402,000	50,000,000
3. Communications and electronics equipment	14,443,467	31,691,566	37,000,000
4. Support vehicles	3,250,176	4,247,801	5,000,000
5. Railroad, engineer, and materials handling equipment	17,292,172	7,571,734	5,000,000
6. Items for test	19,512,532	16,232,095	15,000,000
Total direct obligations	137,308,296	170,000,000	185,000,000
Reimbursable obligations:			
1. Ammunition and ordnance equipment	4,871,458	6,504,196	6,400,000
3. Communications and electronics equipment	853,958	341,339	100,000
4. Support vehicles	581,114	1,227,199	1,500,000
5. Railroad, engineer, and materials handling equipment	122,713	23,266	
Total reimbursable obligations	6,429,243	8,096,000	8,000,000
Total obligations	143,737,539	178,096,000	193,000,000
Financing:			
Unobligated balance brought forward	−314,101,800	−387,132,095	−259,096,806
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Navy accounts	−3,685,530	−60,711	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−55,000	
All other	−591,897		
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−3,927,652	−9,945,000	
Recovery of prior year obligations	−44,562,755	−40,000,000	
Unobligated balance carried forward	387,132,095	259,096,806	96,096,806
Appropriation (new obligational authority)	164,000,000		30,000,000

The objectives of this program are to: (1) procure new types of equipment suited to meet the vertical envelopment doctrine, aircraft for which are procured for the Marine Corps by the Bureau of Aeronautics; (2) procure and modify major items of equipment such as ammunition, electronics, and guided missiles, necessary to equip, maintain, and train active Marine Corps forces and Reserve components; (3) replace conventional items of major equipment with improved models; (4) procure major items of equipment to augment mobilization reserve stock; and (5) test and evaluate new types of equipment

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and supplies to determine their suitability for Marine Corps use.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	75		
Average number of all employees	70		
Number of employees at end of year	70		
Average GS grade and salary	6.6 $5,100		
Average salary of ungraded positions	$4,509		
Direct obligations:			
01 Personal services:			
Permanent positions	$312,663		
Other personal services	4,468		
Total personal services	317,131		
03 Transportation of things	2,559,938	$6,125,997	$7,588,500
07 Other contractual services: Services performed by other agencies		319,000	315,000
08 Supplies and materials	54,895,597	40,969,585	69,700,000
09 Equipment	79,535,630	122,585,418	107,396,500
Total direct obligations	137,308,296	170,000,000	185,000,000
Reimbursable obligations:			
08 Supplies and materials	2,644,190	3,500,000	3,500,000
09 Equipment	3,785,053	4,596,000	4,500,000
Total reimbursable obligations	6,429,243	8,096,000	8,000,000
Total obligations	143,737,539	178,096,000	193,000,000

Marine Corps Troops and Facilities

For necessary expenses of troops and facilities of the Marine Corps not otherwise provided for, including maintenance and operation of equipment and facilities, and procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; not to exceed $30 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude or unsuitability or otherwise than honorably; procurement and manufacture of military supplies, equipment and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems and other insignia; and departmental salaries; [$178,000,000] *$168,252,000. (5 U. S. C. 55a; 10 U. S. C. Subtitle C; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$178,000,000** Estimate 1959, **$168,252,000**
Appropriated (adjusted) 1958, **$173,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Training and operations	$105,442,420	$112,203,000	$108,517,000
2. Depot supply system	34,894,361	39,287,000	38,613,000
3. Transportation of things	7,031,062	7,571,000	7,479,000
4. Marine Corps Reserve training	4,244,819	4,347,000	4,399,000
5. Cataloging	1,687,718	1,560,000	1,343,000
6. Departmental administration	7,647,673	8,032,000	7,901,000
Total direct obligations	160,948,053	173,000,000	168,252,000
Reimbursable obligations:			
1. Training and operations	6,152,642	8,659,000	6,705,000
2. Depot supply system	1,537,000	1,367,000	1,346,000
3. Transportation of things	227		
4. Marine Corps Reserve training	18,000	78,000	84,000
6. Departmental administration	4,236		
Total reimbursable obligations	7,712,105	10,104,000	8,135,000
Total obligations	168,660,158	183,104,000	176,387,000
Financing:			
Unobligated balance brought forward (69 Stat. 438)	−7,709,706	−4,067,517	−2,005,270
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from other Navy accounts	4,053,347	−148,012	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,544		
All other	−6,457,772	−5,893,741	−6,135,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−1,685,661	−2,000,000	
Unobligated balance carried forward (69 Stat. 438)	4,067,517	2,005,270	5,270
Unobligated balance no longer available	10,794,661		
New obligational authority	171,720,000	173,000,000	168,252,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
New obligational authority:			
Appropriation	$171,820,000	$178,000,000	$168,252,000
Transferred to—			
"United States scientific satellite," (71 Stat. 428)		−5,000,000	
"Operation and maintenance," Army (63 Stat. 589)	−100,000		
Appropriation (adjusted)	171,720,000	173,000,000	168,252,000

This appropriation provides for the maintenance and operation of all Marine Corps activities except air facilities.

1. *Training and operations.*—This provides primarily for the support of the Fleet Marine Force as well as the bases at which these combat units are garrisoned and trained. It includes procurement of supplies and equipment; repair and overhaul of equipment; recruiting expenses; and troop services such as education of dependents, and welfare and recreational expenses.

2. *Depot supply system.*—This includes the operation of five supply facilities to provide materiel for Marine Corps units stationed throughout the world.

4. *Marine Corps Reserve training.*—This covers facilities for Reserve training including personnel support, maintenance and operation of Reserve armories, supplies and equipment for ground and aviation units of the Marine Corps Reserve.

5. *Cataloging.*—Provision is made for Marine Corps participation in the central cataloging project of items used by the Marine Corps.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	18,048	16,847	16,640
Average number of all employees	16,426	16,063	15,706
Number of employees at end of year	16,231	16,086	15,965
Average GS grade and salary	4.5 $3,992	4.7 $4,063	4.7 $4,085
Average salary of ungraded positions	$4,026	$4,196	$4,165
Personal service obligations:			
Permanent positions	$65,807,909	$66,888,091	$65,220,475
Other personal services	1,015,299	1,136,581	1,133,373
Total personal service obligations	66,823,208	68,024,672	66,353,848
Direct obligations:			
01 Personal services	65,105,774	66,102,885	64,347,388
02 Travel	4,112,516	4,000,000	3,890,000
03 Transportation of things	7,259,602	7,772,000	7,684,000
04 Communication services	1,367,044	1,300,000	1,300,000
05 Rents and utility services	5,325,608	5,300,000	5,200,000
06 Printing and reproduction	1,283,652	1,280,000	1,200,000
07 Other contractual services	6,025,500	6,025,000	6,000,000
Services performed by other agencies	1,326,403	650,000	650,000
08 Supplies and materials	66,082,231	73,401,037	70,927,076
09 Equipment	1,925,822	1,920,000	1,900,000
10 Lands and structures	1,102,041	1,110,000	1,100,000
11 Grants, subsidies, and contributions		4,114,527	4,029,146
15 Taxes and assessments	31,860	24,551	24,390
Total direct obligations	160,948,053	173,000,000	168,252,000
Reimbursable obligations:			
01 Personal services	1,717,434	1,921,787	2,006,460
03 Transportation of things	227		
04 Communication services	69,000	69,000	69,000
05 Rents and utility services	250,000	250,000	250,000
07 Other contractual services	5,052	6,530	6,500
08 Supplies and materials	5,432,243	7,523,910	5,497,561
09 Equipment	230,000	230,000	200,000
11 Grants, subsidies, and contributions		92,326	93,476
15 Taxes and assessments	8,149	10,447	12,003
Total reimbursable obligations	7,712,105	10,104,000	8,135,000
Total obligations	168,660,158	183,104,000	176,387,000

Aircraft and Related Procurement

For construction, procurement, and modernization of aircraft *missiles*, and equipment, including ordnance, spare parts, and

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

AIRCRAFT AND RELATED PROCUREMENT—Continued

accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such lands, and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; procurement and installation of equipment in public or private plants; and departmental salaries necessary for the purposes of this appropriation; [$1,837,000,000] *$2,069,105,000*, to remain available until expended. *(10 U. S. C. 7341; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$1,837,000,000** Estimate 1959, **$2,069,105,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment	$1,811,988,275	$1,941,806,000	$1,804,000,000
2. Missiles, drones, and related equipment	203,327,280	264,621,000	270,000,000
3. Training equipment	17,698,511	19,000,000	19,000,000
4. Aircraft modernization	105,210,604	98,520,000	100,000,000
5. Ground electronic and detection equipment	26,298,415	32,304,000	37,000,000
Total direct obligations	2,164,523,085	2,356,251,000	2,230,000,000
Reimbursable obligations:			
1. Aircraft and related equipment	51,693,426	58,436,000	51,000,000
2. Missiles, drones and related equipment		1,317,000	
5. Ground electronic and detection equipment	3,300,000		
Total reimbursable obligations	54,993,426	59,753,000	51,000,000
Total obligations	2,219,516,511	2,416,004,000	2,281,000,000
Financing:			
Unobligated balance brought forward	−2,022,228,775	−1,790,263,239	−1,441,562,338
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other Navy accounts	7,389,349	10,269,901	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−92,368	−310,000	
All other	−10,681,761	−9,000,000	−5,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−30,940,221	−69,012,000	
Recovery of prior year obligations	−220,325,974	−162,251,000	−50,000,000
Unobligated balance carried forward	1,790,263,239	1,441,562,338	1,284,667,338
Appropriation (new obligational authority)	1,732,900,000	1,837,000,000	2,069,105,000

This appropriation finances the procurement of aircraft, guided missiles, and supporting equipment for the Navy and Marine Corps. It provides also for the modification and modernization of service aircraft and ground electronics equipment required in aircraft and missile operations. The funds requested permit carrying out a 1959 program costing $2,197.8 million, compared to $2,008.7 million for 1958.

1. *Aircraft and related equipment.*—This activity finances procurement of new aircraft, including supporting components and spare parts. Procurement requirements for new aircraft are based on the projected aircraft operating program, and replacement of attrition losses and obsolescence.

2. *Missiles, drones, and related equipment.*—This activity provides for the procurement of guided missiles for initial outfitting of the fleet, training, test and evaluation, and related projects such as target drone and missile industrial facilities. An ever increasing number of supersonic aircraft in fleet squadrons has made mandatory an accelerated program of development and procurement of air launched missiles for both offensive and defensive armament. Similarly, in the surface launched category, emphasis is being placed on supersonic missiles capable of delivering nuclear loads with minimum risk to the launching ship or submarine. Approximately 70% of the budgeted funds provide for missiles for fleet operational or training purposes and the remainder covers procurement of newly developed or improved missiles for test and evaluation.

3. *Training equipment.*—Operational flight trainers, specialized maintenance trainers, and other training aids are financed by this activity in phase with procurement of aircraft and missiles under activities 1 and 2.

4. *Aircraft modernization.*—Major emphasis in the 1959 aircraft modernization program is directed toward improvements in the antisubmarine warfare capability of fleet aircraft through installation of improved search and detection equipment. Other programs provide for making mandatory safety-of-flight improvements, extending the air-launched guided missile program and incorporating technical improvements in the airborne early-warning systems.

5. *Ground electronic and detection equipment.*—Increased performance characteristics require corresponding improvements in communication, navigation and other ground-control equipment. The 1959 estimate provides for the continued modernization of air station ground control equipment and expansion of ground instrumentation facilities for testing guided missiles and aircraft.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	3,255	3,221	3,136
Average number of all employees	2,961	3,066	3,021
Number of employees at end of year	3,075	3,082	3,082
Average GS grade and salary	5.6 $4,547	5.6 $4,612	5.6 $4,612
Average salary of ungraded positions	$4,610	$4,761	$4,760
Direct obligations:			
01 Personal services:			
Permanent positions	$16,463,435	$17,210,000	$16,902,000
Other personal services	615,402	475,000	474,000
Total personal services	17,078,837	17,685,000	17,376,000
02 Travel	1,046,390	1,100,000	1,100,000
03 Transportation of things	4,158,316	4,200,000	4,100,000
04 Communication services	36,996	40,000	33,000
07 Other contractual services	21,372,335	24,558,000	22,306,000
Services performed by other agencies	9,579,663	9,310,000	10,792,000
	197,930	214,000	215,000
08 Supplies and materials	2,122,072,251	2,306,873,000	2,185,796,000
09 Equipment	2,622,030	3,978,000	1,216,000
10 Lands and structures		1,083,000	1,058,000
11 Grants, subsidies, and contributions	9,249	10,000	8,000
15 Taxes and assessments			
Subtotal	2,178,173,997	2,369,051,000	2,244,000,000
Deduct portion of foregoing obligations originally charged to object class 09	14,149,973	14,000,000	14,000,000
Total direct obligations	2,164,024,024	2,355,051,000	2,230,000,000
Reimbursable obligations:			
09 Equipment	54,993,426	59,753,000	51,000,000
Total, Department of the Navy	2,219,017,450	2,414,804,000	2,281,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	2	2	
Full time equivalent of all other positions	6		
Average number of all employees	7	1	
Number of employees at end of year	2	2	
Average GS grade and salary	5.0 $3,670	5.0 $3,670	
01 Personal services:			
Permanent positions	$6,372	$7,000	
Positions other than permanent	24,541		
Total personal services	30,913	7,000	
07 Other contractual services	468,148	1,193,000	
Total, allocation accounts	499,061	1,200,000	
Total obligations	2,219,516,511	2,416,004,000	2,281,000,000

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Obligations are distributed as follows:			
Department of the Navy	$2,219,017,450	$2,414,804,000	$2,281,000,000
Atomic Energy Commission	−238,409		
Department of the Army	710,573	1,200,000	
Department of Commerce	26,897		

Aircraft and Facilities

For expenses necessary for maintenance, operation, and modification of aircraft; maintenance, operation, and lease of air stations and facilities, testing laboratories, fleet and other aviation activities; procurement of services, supplies, special clothing, tools, materials, and equipment, including rescue boats; industrial mobilization; aerological services, supplies, and equipment for the Navy and Marine Corps; and departmental salaries; [$853,500,000] *$840,548,000*: *Provided*, That $810,000 of the foregoing amount shall be transferred to the appropriation "Salaries and expenses, Weather Bureau, Department of Commerce", fiscal year [1958] *1959*. (*10 U. S. C. 5011–12, 5031, 7203, 7205; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$853,500,000** Estimate 1959, **$840,548,000**

Program and Financing

	1957 actual*	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Flight operations, Regular Navy	$194,363,209	$196,774,000	$196,190,000
2. Flight operations, Naval Reserve	19,965,636	19,776,000	21,227,000
3. Aircraft overhaul	221,540,978	236,611,000	245,883,000
4. Station operations, Regular Navy	199,099,924	208,350,000	204,774,000
5. Station operations, Naval Reserve	15,505,022	15,800,000	15,226,000
6. Alteration and replacement of facilities	55,529,305	57,912,000	50,694,000
7. Supporting equipment, materiel and services	90,015,102	96,138,000	97,954,000
8. Departmental administration	8,354,321	8,639,000	8,600,000
Total direct obligations	804,373,497	840,000,000	840,548,000
Reimbursable obligations:			
1. Flight operations, Regular Navy	13,493,565	16,450,000	16,275,000
2. Flight operations, Naval Reserve	956,588	1,425,000	1,425,000
3. Aircraft overhaul	9,486,000	12,076,000	11,800,000
4. Station operations, Regular Navy	8,187,000	11,339,000	8,138,000
5. Station operations, Naval Reserve	1,023,000	465,000	465,000
6. Alteration and replacement of facilities	200,000	2,050,000	5,168,000
7. Supporting equipment, materiel and services	1,519,000	1,834,000	1,400,000
8. Departmental administration	2,000	2,000	2,000
Total reimbursable obligations	34,867,153	45,641,000	44,673,000
Total obligations	839,240,650	885,641,000	885,221,000
Financing:			
Unobligated balance brought forward (69 Stat. 438)			−1,217,147
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Navy accounts	−250,000	−10,217,147	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year			
All other	−34,617,153	−35,641,000	−43,673,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−1,000,000	
Unobligated balance carried forward (69 Stat. 438)		1,217,147	217,147
Unobligated balance no longer available	6,398,503	13,500,000	
Appropriation (new obligational authority)	810,772,000	853,500,000	840,548,000

This appropriation finances the operating costs of naval aviation, including air combat forces of the Regular Navy and Marine Corps, supporting service and training forces, Naval and Marine Air Reserves, naval air stations, and related activities.

1 and 2. *Flight operations, Regular Navy and Naval Reserve.*—These activities provide fuel, lubricants, and supplies for naval aviation flight operations. In total, the number of operating aircraft and flying hours programed for 1959 are lower than those in 1958. The 1959 program, however, reflects a larger percentage of high-performance aircraft in the combat operating complements.

3. *Aircraft overhaul.*—This activity finances major overhaul of naval aircraft, engines and components. Workload is based on operating strength and level of flight operations programed for 1959, and costs are based on 1957 experience adjusted for prices current in October 1957.

4 and 5. *Station operations, Regular Navy and Naval Reserve.*—The cost of operating and maintaining Regular and Reserve Navy and Marine Corps stations, whose missions are predominantly air, is less in 1959 than in 1958. The lower 1959 estimate reflects the continuation of station closings commenced in 1958, offset in part by the phasing-in of other stations and facilities both in continental United States and overseas to support operations of modern high-performance aircraft.

6. *Alteration and replacement of facilities.*—Provision is made for structural repairs to aeronautical shore facilities, maintenance of industrial reserve aircraft plants and tools, and replacement of landing aids and aircraft overhaul shop equipment.

7. *Supporting equipment, materiel and services.*—General services to naval aviation include procurement of weather instruments, technical publications, ground equipment, and aerial cameras and related photographic equipment. In addition this activity provides for improvement of production methods, evaluation of newly developed equipment, standardization of material and equipment, and maintenance of shipboard catapults and arresting gear.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		74,799	71,502	68,283
Average number of all employees		72,317	69,783	66,830
Number of employees at end of year		72,595	67,403	66,744
Average GS grade and salary		5.6 $4,547	5.6 $4,612	5.6 $4,612
Average salary of ungraded positions		$4,610	$4,761	$4,760
Personal service obligations:				
Permanent positions		$323,936,913	$328,114,425	$314,528,000
Positions other than permanent		5,000	1,575	
Other personal services		6,987,588	5,518,000	5,259,000
Total personal service obligations		330,929,501	333,634,000	319,787,000
Direct obligations:				
01	Personal services	328,112,320	332,582,000	318,346,000
02	Travel	15,017,767	13,442,000	12,398,000
03	Transportation of things	12,487,015	12,511,000	19,788,000
04	Communications services	2,657,535	2,639,000	2,400,000
05	Rents and utility services	11,508,013	11,400,000	11,100,000
06	Printing and reproduction	2,488,259	2,620,000	2,578,000
07	Other contractual services	63,387,128	62,537,000	64,900,000
	Services performed by other agencies	2,454,989	2,500,000	2,500,000
	Labor contracts with foreign governments [1]	5,486,096	5,131,000	4,676,000
08	Supplies and materials	264,928,460	270,027,000	278,883,000
09	Equipment	95,456,252	102,196,000	102,100,000
10	Lands and structures	4,620,294	4,576,000	3,835,000
11	Grants, subsidies, and contributions	294,000	22,837,000	21,965,000
15	Taxes and assessments	168,578	77,000	74,000
	Subtotal	809,066,706	845,125,000	845,543,000
	Deduct portion of foregoing obligations originally charged to object classes 07, 08, and 09	4,693,209	5,125,000	4,995,000
	Total direct obligations	804,373,497	840,000,000	840,548,000
Reimbursable obligations:				
01	Personal services	2,817,181	1,052,000	1,441,000
07	Other contractual services	9,310,000	11,904,000	8,703,000
08	Supplies and materials	21,120,339	28,833,000	27,944,000
09	Equipment	1,619,000	3,784,000	6,468,000
11	Grants, subsidies, and contributions		68,000	117,000
15	Taxes and assessments	633		
	Total reimbursable obligations	34,867,153	45,641,000	44,673,000
	Total obligations	839,240,650	885,641,000	885,221,000

[1] Average number of persons: 1957, 5,907; 1958, 5,531; 1959, 5,063.

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

SHIPBUILDING AND CONVERSION

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament therefor, plant equipment, appliances, and machine tools, and installation thereof in public or private plants; procurement, production, and modernization of electronic equipment and material for ships; procurement of critical long lead time components and designs for vessels to be constructed or converted in the future; expansion of public and private plants, including land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and departmental salaries necessary for the purposes of this appropriation; [$1,584,000,000] *$1,381,000,000*, to remain available until expended. (*34 U. S. C. 498c–14, 15; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$1,584,000,000** Estimate 1959, **$1,381,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Fiscal year 1952 program: (*a*) Ships	$1,724,771	$18,222,000	$12,373,000
2. Fiscal year 1953 program:			
(*a*) Ships	27,463,258	16,000,000	10,000,000
(*b*) Ordnance		2,000,000	
3. Fiscal year 1954 program:			
(*a*) Ships	13,831,766	17,000,000	12,000,000
(*b*) Ordnance	402,086	3,000,000	
4. Fiscal year 1955 program:			
(*a*) Ships	47,978,703	55,000,000	33,000,000
(*b*) Ordnance	2,073,095	6,000,000	1,000,000
5. Fiscal year 1956 program:			
(*a*) Ships	161,367,036	87,000,000	47,000,000
(*b*) Ordnance	47,279,340	23,000,000	12,000,000
6. Fiscal year 1957 program:			
(*a*) Ships	776,284,721	319,000,000	80,000,000
(*b*) Ordnance	196,660,099	113,000,000	23,000,000
7. Fiscal year 1958 program:			
(*a*) Ships	32,748,153	547,600,000	253,000,000
(*b*) Ordnance	26,183,678	174,000,000	145,000,000
8. Fiscal year 1959 program:			
(*a*) Ships	29,000	36,200,000	514,000,000
(*b*) Ordnance	2,044,000	14,200,000	173,000,000
9. Fiscal year 1960 program:			
(*a*) Ships			70,555,000
(*b*) Ordnance			24,000,000
10. Shipbuilding administrative expenses:			
(*a*) Ships	27,103,501	28,000,000	27,800,000
(*b*) Ordnance	3,435,511	4,000,000	4,000,000
11. Reserve tools and facilities	482,523	435,000	72,000
12. Electronics major procurement	74,936,806	70,945,000	104,200,000
Total direct obligations	1,442,028,047	1,534,602,000	1,546,000,000
Reimbursable obligations:			
6. Fiscal year 1957 program (ordnance)	3,141,657		
7. Fiscal year 1958 program:			
(*a*) Ships		1,700,000	3,000,000
(*b*) Ordnance		1,300,000	
12. Electronics major procurement	14,074,257	14,000,000	16,000,000
Total reimbursable obligations	17,215,914	17,000,000	19,000,000
Total obligations	1,459,243,961	1,551,602,000	1,565,000,000
Financing:			
Unobligated balance brought forward	−912,976,387	−955,907,371	−1,026,030,371
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other Navy accounts	920,839		
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−428,680	−1,000,000	
All other	−12,734,514	−12,725,000	−12,500,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,415,483	−19,000,000	
Recovery of prior-year obligations	−7,817,107	−5,000,000	−5,000,000
Unobligated balance carried forward	955,907,371	1,026,030,371	859,530,371
Appropriation (new obligational authority)	1,479,700,000	1,584,000,000	1,381,000,000

This appropriation covers shipbuilding programs authorized subsequent to 1951. Funds are provided for construction and procurement of hulls, machinery, and equipment, including armor and armament for new naval vessels; conversion of existing naval vessels; and other related costs, including tools and equipment, facilities in private plants, and departmental salaries. The 1959 program of $1.159 billion includes 15 guided missile ships, one of which is to be nuclear powered. This program has previously financed 6 *Forrestal*-type carriers, 1 nuclear-powered carrier, 19 nuclear-powered submarines, and other military ships. Funds are requested for the 1960 program for the procurement of long-lead-time components and designs for ships to be constructed or converted in the future and approximately $100 million for repricing ships now under construction.

This appropriation also provides for the procurement of electronics equipment for the fleets, fleet support activities, and commissioned ships assigned to Military Sea Transportation Service and Coast Guard; other electronics equipment as may be required in connection with ship operations; and related costs.

Expenditures are expected to increase substantially in 1959 because of larger ship types and greater complexity of ships in recent programs.

An additional amount anticipated for 1958 is shown under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	4,663	4,014	3,687
Full-time equivalent of all other positions	4	3	2
Average number of all employees	4,550	3,880	3,642
Number of employees at end of year	4,392	3,657	3,652
Average GS grade and salary	6.3 $5,022	6.4 $5,078	6.4 $5,092
Average salary of ungraded positions	$4,823	$4,982	$4,983
Direct obligations:			
01 Personal services:			
Permanent positions	$24,827,007	$21,711,700	$20,532,700
Positions other than permanent	17,605	13,000	9,000
Other personal services	756,192	519,200	487,200
Total personal services	25,600,804	22,243,900	21,028,900
02 Travel	623,104	570,000	570,000
03 Transportation of things	1,212,910	1,250,000	1,275,000
04 Communication services	131,971	130,000	130,000
05 Rents and utility services	31,279	30,000	31,000
06 Printing and reproduction	1,197,349	1,150,000	1,150,000
07 Other contractual services	548,691,725	569,588,100	575,783,100
08 Supplies and materials	55,167,855	60,000,000	62,000,000
09 Equipment	781,037,352	801,508,000	820,000,000
11 Grants, subsidies, and contributions		1,344,000	1,237,000
13 Refunds, awards, and indemnities	776,523	775,000	775,000
15 Taxes and assessments	20,732	20,000	20,000
Total direct obligations	1,414,491,604	1,458,609,000	1,484,000,000
Reimbursable obligations:			
09 Equipment	17,215,914	17,000,000	19,000,000
Total, Department of the Navy	1,431,707,518	1,475,609,000	1,503,000,000
ALLOCATION ACCOUNTS			
07 Other contractual services	3,428		
09 Equipment	27,533,015	75,993,000	62,000,000
Total, allocation accounts	27,536,443	75,993,000	62,000,000
Total obligations	1,459,243,961	1,551,602,000	1,565,000,000
Obligations are distributed as follows:			
Department of the Navy	$1,431,707,518	$1,475,609,000	$1,503,000,000
Atomic Energy Commission	27,125,821	74,900,000	62,000,000
Department of Commerce	410,622	1,093,000	

SHIPS AND FACILITIES

For expenses necessary for design, maintenance, operation, and alteration of vessels; maintenance and operation of facilities; procurement of plant equipment, appliances, and machine tools, and installation thereof in public or private plants; procurement of equipment, supplies, special clothing and services; installation, maintenance, and

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removal of ships' ordnance; lease of facilities and docks; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; industrial mobilization; and departmental salaries; [$820,000,000] *$789,238,000*, of which [$16,360,000] *$16,430,000* shall be transferred to the appropriation "[Coast Guard] Operating Expenses", [1958] *Coast Guard, 1959*, for the operation of ocean stations: *Provided*, That notwithstanding the availability of the trust fund "Naval Reservation, Olongapo Civic Fund," this appropriation shall be available for such support of the town of Olongapo as may be authorized by law. *(10 U. S. C. 5031, 7293, 7303; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$820,000,000** Estimate 1959, **$789,238,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Maintenance and operation of the active fleet	$280,104,563	$293,416,000	$286,035,000
2. Active fleet alterations and improvements	83,962,160	97,803,000	80,592,000
3. Technical support programs	68,853,223	69,947,000	68,324,000
4. Maintenance and preservation of reserve fleet	32,043,469	47,093,000	42,422,000
5. Maintenance and operation of Naval Reserve training vessels	7,350,623	7,944,000	11,226,000
6. Fuel for ships	119,324,776	120,584,000	120,211,000
7. Procurement of maintenance material	61,920,894	57,450,000	73,088,000
8. Fleet support facilities	94,994,669	99,150,000	92,151,000
9. Departmental administration	15,542,487	16,641,000	15,189,000
Total direct obligations	764,096,864	810,028,000	789,238,000
Reimbursable obligations:			
1. Maintenance and operation of the active fleet	1,700,000	1,700,000	1,700,000
2. Active fleet alterations and improvements	150,000	125,000	200,000
3. Technical support programs	2,000,000	3,800,000	2,300,000
4. Maintenance and preservation of reserve fleet	9,000	10,000	10,000
5. Maintenance and operation of Naval Reserve training vessels	20,000	50,000	50,000
6. Fuel for ships	195,000	175,000	175,000
7. Procurement of maintenance material	12,983,608	14,107,000	11,800,000
8. Fleet support facilities	3,954,000	3,900,000	3,458,000
9. Departmental administration	259,446	20,000	7,000
Assistance to Allied Forces (except military assistance program)	688,946	1,000,000	1,000,000
Total reimbursable obligations	21,960,000	24,887,000	20,700,000
Total obligations	786,056,864	834,915,000	809,938,000
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−24,644	−28,000	
Unobligated balance brought forward (69 Stat. 438)	−4,371,215	−6,005,715	−8,991,004
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other Navy accounts		8,000	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−51,669		
All other	−19,460,000	−22,880,289	−19,100,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−4,082,831	−5,000,000	
Unobligated balance carried forward (69 Stat. 438)	6,005,715	8,991,004	7,391,004
Unobligated balance no longer available	1,967,780	10,000,000	
Appropriation (new obligational authority)	766,040,000	820,000,000	789,238,000

The ships of the U. S. Navy are maintained and operated by this appropriation, including the three main fleets: Active, reserve, and reserve training. Incident to this primary mission is the provision of shore facilities which back up the fleet and keep it in good condition. The appropriation also provides technical assistance at headquarters for the fleet.

1. *Maintenance and operation of the active fleet.*—Provision is made for the overhaul, both scheduled, and unscheduled, of active fleet ships and for their necessary supplies and equipage. Average number of ships: 1957, 966; 1958, 924; 1959, 874. Number of overhauls: 1957, 425; 1958, 369; 1959, 378.

2. *Active fleet alterations and improvements.*—This allows for a comprehensive program of military and technical alterations and improvements to vessels of the active fleet. Also included are programs for shipboard habitability improvements; alterations of installed ordnance; and evaluation of newly developed items by the operating forces.

3. *Technical support programs.*—Provision is made for a wide range of programs which contribute directly or indirectly to fleet maintenance. These programs are: The maintenance of service craft at shore activities; commissioning and outfitting of vessels; preparation or procurement of design work (except for conversion and new construction plans); salvage operations; charter and hire of vessels; furnishing private electronic engineers to supplement fleet and shipyard technical capabilities; procurement of equipment (except electronics) for Regular Navy schools and Naval Reserve training facilities and maintenance repair parts for support of the servicewide cryptographic system; and support of ocean weather stations operated by the Coast Guard.

4. *Maintenance and preservation of reserve fleet.*—This program allows for maintenance of 1,510 reserve vessels; provides for maintenance, repair, preservation of hulls, machinery, and ordnance equipment, improvement of reserve fleet ships, and the inactivation of ships.

5. *Maintenance and operation of Naval Reserve training vessels.*—Provision is made for maintenance, operation, alteration, and improvement of 81 ships assigned to the Naval Reserve training program.

6. *Fuel for ships.*—This includes fuel, water, and utility services for ships and service craft of the active fleet and the reserve fleet, and for Naval Reserve training vessels. Active fleet steaming hours for 1959 are estimated at 2,021,000, compared to 2,049,000 for 1958.

7. *Procurement of maintenance material.*—This project finances the procurement of the wide range of shipboard hull and machinery components required for the fleets; the rehabilitation of components turned into store; and inspection testing and standardization of material and equipment.

8. *Fleet support facilities.*—This covers fleet support and plant improvements at 11 naval shipyards and 8 Bureau of Ships' laboratories; maintenance, operation, and miscellaneous charges at other shore stations; expenses of fleet shore activities assigned to the operating forces; procurement and maintenance of equipment for advanced bases and harbor defense; maintenance of industrial facilities held in standby condition; care of machine tools and industrial equipment; industry preparedness measures designed to reduce lead and production time; and planning and scheduling mobilization equipment requirements.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	10,598	10,236	9,665
Full-time equivalent of all other positions	6	4	3
Average number of all employees	10,365	9,831	9,570
Number of employees at end of year	10,695	9,571	9,569
Average GS grade and salary	6.3 $5,022	6.4 $5,078	6.4 $5,092
Average salary of ungraded positions	$4,823	$4,982	$4,983
Personal service obligations:			
Permanent positions	$40,837,067	$40,650,000	$39,337,000
Positions other than permanent	45,590	25,000	20,000
Other personal services	3,030,650	1,970,000	1,816,000
Total personal service obligations	43,913,307	42,645,000	41,173,000
Direct obligations:			
01 Personal services	42,924,307	41,656,000	40,286,000
02 Travel	4,926,435	4,604,000	4,770,000
03 Transportation of things	4,159,812	3,500,000	4,341,000

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

SHIPS AND FACILITIES—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Direct obligations—Continued			
04 Communication services	$1,910,017	$1,842,000	$1,660,000
05 Rents and utility services	8,702,011	8,581,000	7,570,000
06 Printing and reproduction	1,848,364	1,686,000	1,600,000
07 Other contractual services	384,690,821	415,837,000	404,210,000
Services performed by other agencies	19,866,807	20,344,000	20,327,000
Labor contracts with foreign governments [1]	9,528,250	10,239,000	9,959,000
Labor provided by Federal Republic of Germany and the Berlin magistrat [2]	24,644	28,000	
08 Supplies and materials	242,794,163	248,045,000	237,208,000
09 Equipment	41,689,453	50,423,000	54,268,000
10 Lands and structures	439,880	400,000	400,000
11 Grants, subsidies, and contributions		2,421,000	2,344,000
13 Refunds, awards, and indemnities	194,990	195,000	195,000
15 Taxes and assessments	396,910	227,000	100,000
Total direct obligations	764,096,864	810,028,000	789,238,000
Reimbursable obligations:			
01 Personal services	989,000	989,000	887,000
07 Other contractual services	5,072,392	5,415,000	5,200,000
08 Supplies and materials	2,915,000	4,376,000	2,813,000
09 Equipment	12,983,608	14,107,000	11,800,000
Total reimbursable obligations	21,960,000	24,887,000	20,700,000
Total obligations	786,056,864	834,915,000	809,938,000

[1] Average number of persons: 1957, 11,416; 1958, 11,082; 1959, 10,900.
[2] Average number of persons: 1957, 27; 1958, 27.

PROCUREMENT OF ORDNANCE AND AMMUNITION

For expenses necessary for the production and procurement of Navy ordnance and ammunition, *including missiles* (except ordnance for new aircraft, new ships, and ships authorized for conversion); expansion of public and private plants, including land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement of plant equipment, appliances, and machine tools, and installation thereof in public or private plants; [$176,000,000] *$460,235,000*, to remain available until expended. *(40 U. S. C. 259, 367; 33 U. S. C. 733 and note; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$176,000,000** Estimate 1959, **$460,235,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Ammunition	$133,575,721	$118,406,000	$103,495,000
2. Ordnance equipment	14,982,296	8,054,000	12,591,000
3. Ordnance guided missiles	159,693,714	188,540,000	371,914,000
Total direct obligations	308,251,731	315,000,000	488,000,000
Reimbursable obligations:			
1. Ammunition	4,106,789	3,400,000	3,000,000
2. Ordnance quipment	1,754,807	4,950,000	4,000,000
3. Ordnance guided missiles	32,959,873	33,650,000	33,000,000
Total reimbursable obligations	38,821,469	42,000,000	40,000,000
Total obligations	347,073,200	357,000,000	528,000,000
Financing:			
Unobligated balance brought forward	−127,735,487	−157,412,043	−49,278,870
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to (−) or from other Navy accounts	−3,851,098	2,038,173	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−1,017,124	−3,000,000	
All other accounts	−46,006,145	−44,905,000	−50,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−23,470,327	−22,000,000	
Recovery of prior year obligations	−8,405,062	−5,000,000	−5,000,000
Unobligated balance carried forward	157,412,043	49,278,870	36,513,870
Appropriation (new obligational authority)	294,000,000	176,000,000	460,235,000

The appropriation provides for ammunition, ordnance equipment, and guided missiles necessary to support the operational requirements of approved naval forces, to improve the Navy materiel readiness position, to retain an acceptable base on which to mobilize, and to provide for the systematic introduction into fleet utilization of newly developed procurement items. Generally this appropriation funds a selected number of weapons to meet the peacetime-force materiel requirements. In a few instances, where peacetime requirements are exceeded, this has been done to keep basic production lines operating at a minimum rate.

1. *Ammunition.*—Provides for the procurement of adaptations for nuclear warheads and of conventional aircraft, gun, and antisubmarine ammunition, mines, torpedoes, and other munitions to support naval forces, including facilities and related costs.

2. *Ordnance equipment.*—Provides for the procurement of aviation, shipboard, underwater, and shore-based ordnance equipment, not otherwise provided, to support naval forces, including facilities and related costs.

3. *Ordnance guided missiles.*—Provides for procurement, including facilities and related costs, of guided and ballistic missiles assigned to the Bureau of Ordnance for the naval forces, and of auxiliary equipment for control, handling, checkout, servicing, and testing. Sizable increases are reflected in this activity for evaluation, improvement, and production of both defensive- and offensive-type missiles, especially for Polaris. The Navy's modernized shipbuilding program leads to a guided missile nuclear-powered fleet. It has arrived at a point where funds must now be requested to supply these ships with designated missiles. A supplemental appropriation is anticipated for 1958 for the acceleration of the Polaris program and is shown under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3,905	3,079	2,679
Average number of all employees	3,691	2,708	2,463
Number of employees at end of year	3,079	2,679	2,619
Average GS grade and salary	6.6 $5,100	6.7 $5,181	6.7 $5,198
Average salary of ungraded positions	$4,509	$4,532	$4,555
Personal service obligations:			
Permanent positions	$17,593,439	$13,022,000	$11,865,000
Other personal services	378,820	405,000	350,000
Total personal service obligations	17,972,259	13,427,000	12,215,000
Direct obligations:			
01 Personal services	17,512,259	12,967,000	11,755,000
03 Transportation of things	2,761,790	2,800,000	2,860,000
07 Other contractual services	24,239,365	24,847,000	37,330,000
08 Supplies and materials	217,864,639	217,631,000	296,740,000
09 Equipment	45,873,678	48,877,000	132,051,000
10 Lands and structures		7,100,000	6,500,000
11 Grants, subsidies, and contributions		778,000	764,000
Total direct obligations	308,251,731	315,000,000	488,000,000
Reimbursable obligations:			
01 Personal services	460,000	460,000	460,000
07 Other contractural	1,495	1,000	1,000
08 Supplies and materials	36,605,167	36,564,000	34,564,000
09 Equipment	1,754,807	4,950,000	4,950,000
11 Grants, subsidies, and contributions		25,000	25,000
Total reimbursable obligations	38,821,469	42,000,000	40,000,000
Total, obligations	347,073,200	357,000,000	528,000,000

ORDNANCE AND FACILITIES

For expenses necessary for inspection, testing, modification, alteration, preservation, and handling of ordnance and ammunition; maintenance of ordnance (except installation, maintenance, and removal of ships' ordnance, and line maintenance of ordnance

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installed in aircraft); maintenance and operation of ordnance facilities; procurement of equipment, supplies, special clothing and services; procurement of plant equipment, appliances, and machine tools, and installation thereof in naval plants; lease of facilities; industrial mobilization; and departmental salaries; [$164,000,000] *$149,850,000.* (*31 U. S. C. 638; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$164,000,000** Estimate 1959, **$149,850,000**
Appropriated (adjusted) 1958, **$158,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Maintenance of ordnance and ammunition	$108,875,329	$101,430,000	$94,029,000
2. Maintenance and operation of facilities	36,742,163	39,397,000	39,180,000
3. Improvements and alterations to facilities	5,858,970	6,517,000	6,957,000
4. Departmental administration	9,911,219	10,656,000	9,684,000
Total direct obligations	161,387,681	158,000,000	149,850,000
Reimbursable obligations:			
1. Maintenance of ordnance and ammunition	6,630,005	7,100,000	7,100,000
2. Maintenance and operation of facilities	464,643	600,000	600,000
3. Improvements and alterations to facilities	13,058	----------	----------
4. Departmental administration	141,046	----------	----------
Total reimbursable obligations	7,248,752	7,700,000	7,700,000
Total obligations	168,636,433	165,700,000	157,550,000
Financing:			
Unobligated balance brought forward (69 Stat. 438)	----------	----------	−1,838,954
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Navy accounts	−1,257,234	−1,838,954	----------
Advances and reimbursements from other accounts	−5,203,746	−6,700,000	−6,700,000
Anticipated reimbursements for future deliveries common to U. S. requirements ordered by military assistance in current year	−1,000,000	−1,000,000	----------
Unobligated balance carried forward (69 Stat. 438)	----------	1,838,954	838,954
Unobligated balance no longer available	2,504,547	----------	----------
New obligational authority	163,680,000	158,000,000	149,850,000
New obligational authority:			
Appropriation	$163,680,000	$164,000,000	$149,850,000
Transferred to "United States scientific satellite" (71 Stat. 428)	----------	−6,000,000	----------
Appropriation (adjusted)	163,680,000	158,000,000	149,850,000

1. *Maintenance of ordnance and ammunition.*—This covers improvement, modernization, maintenance, and renovation of ordnance equipment and ammunition, maintenance of reserve plants, inspection, proofing and testing, transportation, and support of the standardization and specification programs in the field of naval ordnance.

2. *Maintenance and operation of facilities.*—This provides for routine maintenance and operation of 60 ordnance installations.

3. *Improvements and alterations to facilities.*—This includes major repairs, alterations, and improvement of facilities and replacement of major station equipment.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	18,644	16,709	15,974
Full-time equivalent of all other positions	77	60	55
Average number of all employees	17,632	15,676	14,891
Number of employees at end of year	16,075	15,155	14,795
Average GS grade and salary	6.6 $5,100	6.7 $5,181	6.7 $5,198
Average salary of ungraded positions	$4,509	$4,532	$4,555
Personal service obligations:			
Permanent positions	$80,780,908	$72,695,000	$69,096,000
Positions other than permanent	385,420	300,000	275,000
Other personal services	2,353,138	2,401,000	2,325,000
Total personal service obligations	83,519,466	75,396,000	71,696,000
Direct obligations:			
01 Personal services	81,919,466	73,796,000	70,096,000
02 Travel	936,894	987,700	969,000
03 Transportation of things	15,423,980	13,350,000	13,313,000
04 Communication services	389,923	416,870	437,000
05 Rents and utility services	240,229	256,121	268,000
06 Printing and reproduction	499,933	539,896	537,000
07 Other contractural services	6,206,228	7,046,384	7,099,000
08 Supplies and materials	49,988,854	51,537,227	46,983,000
09 Equipment	4,852,333	4,364,000	4,820,000
10 Lands and structures	369,797	515,000	304,000
11 Grants, subsidies, and contributions	53.379	4,508,980	4,350,000
13 Refunds, awards, and indemnities	192,379	395,000	397,000
15 Taxes and assessments	314,286	286,822	277,000
Total direct obligations	161,387,681	158,000,000	149,850,000
Reimbursable obligations:			
01 Personal services	1,600,000	1,600,000	1,600,000
08 Supplies and materials	5,635,694	6,100,000	6,100,000
09 Equipment	13,058	----------	----------
Total reimbursable obligations	7,248,752	7,700,000	7,700,000
Total obligations	168,636,433	165,700,000	157,550,000

Medical Care

For expenses necessary for maintenance and operation of naval hospitals, medical centers, clinics, schools, and other medical activities; technical medical support of the supply system and other naval activities; procurement of ambulances, medical and dental supplies, equipment and services; instruction of medical personnel in naval hospitals, naval schools, and civilian schools; care of the dead; and departmental salaries; [$85,200,000] *$88,532,000.* (*24 U. S. C. 14a, 15, 34, 35; 10 U. S. C. 6201; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$85,200,000** Estimate 1959, **$88,532,00**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Maintenance and operation of medical treatment facilities	$34,444,108	$33,956,000	$32,880,000
2. Education and training	3,439,202	3,556,000	3,615,000
3. Medical services, supplies, and equipment at other facilities	10,316,926	10,863,000	12,721,000
4. Nonrecurring procurement of services, supplies, and equipment	1,683,064	2,941,000	2,952,000
5. Medical material support	1,083,599	157,000	157,000
6. Medical care in nonnaval facilities	15,311,280	30,321,000	32,790,000
7. Care of the dead	745,809	833,000	922,000
8. Departmental administration	2,446,191	2,573,000	2,495,000
Total direct obligations	69,470,179	85,200,000	88,532,000
Reimbursable obligations:			
1. Maintenance and operation of medical treatment facilities	19,493,000	21,750,000	21,557,000
2. Education and training	240,000	335,000	405,000
3. Medical services, supplies, and equipment at other facilities	223,000	389,000	337,000
6. Medical care in nonnaval facilities	219,000	251,000	241,000
Total reimbursable obligations	20,175,000	22,725,000	22,540,000
Total obligations	89,645,179	107,925,000	111,072,000
Financing:			
Advances and reimbursements from other accounts	−20,175,000	−22,725,000	−22,540,000
Unobligated balance transferred from "Construction of ships" (71 stat. 178)	−10,000,000	----------	----------
Unobligated balance no longer available	1,852,821	----------	----------
New obligational authority	61,323,000	85,200,000	88,532,000

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

MEDICAL CARE—Continued

1. *Maintenance and operation of medical treatment facilities.*—For the maintenance and operation of hospitals, dispensaries, dental clinics, and other medical facilities under the management control of the Bureau of Medicine and Surgery as follows:

MEDICAL FACILITIES AND PATIENTS

	1957 actual	*1958 estimate*	*1959 estimate*
Hospitals:			
Continental United States	25	25	23
Extracontinental	3	3	3
Dispensaries, dental clinics, and other medical facilities	35	33	34
Patients in naval hospitals:			
Navy and Marine Corps	8,768	8,395	8,001
Army and Air Force	1,051	1,049	1,037
Military dependents	1,693	1,640	1,534
Veterans, retired and other	1,206	1,362	1,308
Total average daily occupied beds	12,718	12,446	11,880

2. *Education and training.*—Provision is made for education and training of military personnel in medical specialties in medical department schools, hospitals, and civilian institutions.

MEDICAL PERSONNEL IN TRAINING

	1957 actual	*1958 estimate*	*1959 estimate*
In medical department schools	6,714	5,503	5,920
In naval hospitals and other medical facilities	1,653	1,938	1,773
In civilian institutions	1,060	1,032	1,147
Total	9,427	8,473	8,840

3. *Medical services, supplies, and equipment at other facilities.*—This provides technical support for all medical care aboard ships. It provides also for medical care in naval facilities of military personnel and their dependents at shore activities not under the management control of the Bureau of Medicine and Surgery.

4. *Nonrecurring procurement of services, supplies, and equipment.*—For procurement requirements of medical and dental supplies and equipment of a nonrecurring nature, including initial outfits for ships and stations; major repairs and improvements at naval hospitals; vehicles, construction and weight handling, and materials handling equipment; and other special programs.

5. *Medical material support.*—Provision is made for technical medical material support functions.

6. *Medical care in nonnaval facilities.*—This provides for medical care of Navy and Marine Corps personnel and their dependents in other than naval facilities where Navy medical facilities are not available.

PATIENTS IN NONNAVAL FACILITIES

	1957 actual	*1958 estimate*	*1959 estimate*
Active duty and retired	762	729	701
Military dependents	1,329	1,726	1,637

7. *Care of the dead.*—This provides care for 1,602 deaths of Navy and Marine Corps and other personnel which it is estimated will occur in 1959 compared to 1,711 in 1957 and 1,657 estimated for 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	8,129	7,995	7,791
Full-time equivalent of all other positions	1	1	1
Average number of all employees	8,009	7,869	7,675
Number of employees at end of year	7,885	7,798	7,675
Average GS grade and salary	4.3 $3,902	4.3 $3,915	4.3 $3,925
Average salary of ungraded positions	$4,144	$4,260	$4,260
Personal service obligations:			
Permanent positions	$32,372,234	$32,431,000	$31,641,000
Positions other than permanent	3,871	3,000	4,000
Other personal services	831,079	953,000	952,000
Total personal service obligations	33,207,184	33,387,000	32,597,000
Direct obligations:			
01 Personal services	25,227,284	23,887,000	23,346,000
02 Travel	437,545	544,000	644,000
03 Transportation of things	143,574	153,000	282,000
04 Communication services	397,504	381,000	363,000
05 Rents and utility services	1,473,252	1,389,000	1,290,000
06 Printing and reproduction	238,114	257,000	262,000
07 Other contractual services	19,744,411	32,985,000	36,807,000
Services performed by other agencies	7,139,000	8,542,000	8,727,000
Labor contracts with foreign governments [1]	290,408	313,000	313,000
08 Supplies and materials	12,817,671	13,716,000	12,597,000
09 Equipment	1,842,785	1,793,000	2,814,000
11 Grants, subsidies, and contributions		1,509,000	1,357,000
15 Taxes and assessments	12,849	12,000	11,000
Subtotal	69,764,397	85,481,000	88,813,000
Deduct subsistence charges	294,218	281,000	281,000
Total direct obligations	69,470,179	85,200,000	88,532,000
Reimbursable obligations:			
01 Personal services	7,979,900	9,500,000	9,251,000
02 Travel	12,554	21,000	16,000
04 Communication services	125,538	135,000	139,000
05 Rents and utility services	502,150	575,000	590,000
06 Printing and reproduction	10,461	19,000	12,000
07 Other contractual services	1,375,272	1,320,000	1,874,000
08 Supplies and materials	9,864,905	10,210,000	9,695,000
09 Equipment	301,290	351,000	320,000
11 Grants, subsidies, and contributions		591,000	640,000
15 Taxes and assessments	2,930	3,000	3,000
Total reimbursable obligations	20,175,000	22,725,000	22,540,000
Total obligations	89,645,179	107,925,000	111,072,000

[1] Average number of persons: 1957, 322; 1958, 346; 1959, 346.

CIVIL ENGINEERING

For expenses necessary for maintenance and operation of district public works offices, public works centers, construction battalion centers, [defense housing projects,] other civil engineering facilities, and shore activities not otherwise provided for; procurement of services, supplies, and equipment for the foregoing activities; purchase [of not to exceed nineteen hundred and fifty-one passenger motor vehicles] for replacement only [(including eight and fifteen at not to exceed $3,000 and $2,400 each);] *and* hire of passenger motor vehicles; engineering services; industrial mobilization; and departmental salaries; [$134,630,000] *$126,554,000. (5 U. S. C. 78; 10 U. S. C. 5031, 7212; 42 U. S. C. 1501–5; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$134,630,000** Estimate 1959, **$126,554,000**
Appropriation (adjusted) 1958, **$131,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Engineering service	$17,193,566	$18,397,000	$18,342,000
2. Maintenance and operation of shore establishments	88,080,204	90,974,000	86,103,000
3. Special procurement	8,489,669	8,409,000	8,372,000
4. Construction battalion support	7,183,863	7,319,000	8,166,000
5. Departmental administrative	5,516,681	5,901,000	5,571,000
Total direct obligations	126,463,983	131,000,000	126,554,000
Reimbursable obligations:			
1. Engineering services	303,591	300,000	300,000
2. Maintenance and operation of shore establishments	15,555,109	28,000,000	28,000,000
3. Special procurement	11,813,421	24,528,000	28,503,000
4. Construction battalion support	2,599,274	498,000	750,000
Total reimbursable obligations	30,271,395	53,326,000	57,553,000
Total obligations	156,735,378	184,326,000	184,107,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward (69 Stat. 438)	−$2,432,442	−$4,527,565	−$2,998,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from other Navy accounts	−809,987	1,914	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance current year		−55,000	
All other	−28,911,880	−48,300,349	−53,805,000
Reimbursements from non-Federal sources (41 U. S. C. 231(C))	−699,244	−498,000	−750,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,334,541	−2,945,000	
Unobligated balance carried forward (69 Stat. 438)	4,527,565	2,998,000	
Unobligated balance no longer available	3,525,151		
New obligational authority	129,600,000	131,000,000	126,554,000
New obligational authority:			
Appropriation	$129,600,000	$134,630,000	$126,554,000
Transferred to "Emergency fund" (71 Stat. 313)		−3,630,000	
Appropriation (adjusted)	129,600,000	131,000,000	126,554,000

1. *Engineering services.*—Engineering services include (*a*) planning and administration of maintenance and improvement projects, (*b*) technical assistance in the preparation of the master plans for station development, (*c*) annual maintenance inspection of shore establishment, and (*d*) engineering studies and field evaluation.

2. *Maintenance and operation of shore establishments.*—This provides for the maintenance and operation of 5 public works centers, 3 construction battalion centers, 16 public works departments of naval stations, rental housing, and public quarters.

3. *Special procurement.*—This includes passenger-carrying vehicles for the Navy, exclusive of Marine Corps; advance base component material and equipment; warfare defense material and equipment; and specialized items of engineering equipment.

4. *Construction battalion support.*—This includes procurement of equipment and material for construction battalion units and their operating support.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	20,192	18,219	18,200
Average number of all employees	17,831	15,786	15,860
Number of employees at end of year	18,022	15,965	15,947
Average GS grade and salary	7.0 $5,316	7.0 $5,340	7.0 $5,364
Average salary of ungraded positions	$3,862	$3,879	$3,902
Personal service obligations:			
Permanent positions	$76,760,125	$66,071,353	$66,370,153
Other personal services	2,735,802	2,640,647	2,616,847
Total personal service obligations	79,495,927	68,712,000	68,987,000
Direct obligations:			
01 Personal services	75,189,207	63,708,538	63,983,538
02 Travel	3,208,118	3,818,528	4,012,000
03 Transportation of things	2,815,875	2,793,000	3,193,000
04 Communication services	585,567	590,401	596,000
05 Rents and utility services	4,012,981	4,288,369	4,693,000
06 Printing and reproduction	391,790	641,480	641,000
07 Other contractual services	12,455,431	23,558,487	18,369,462
08 Supplies and materials	18,423,876	16,656,367	15,489,000
09 Equipment	9,267,344	10,084,344	10,694,000
11 Grants, subsidies, and contributions	30,000	4,793,800	4,818,000
15 Taxes and assessments	83,794	66,686	65,000
Total direct obligations	126,463,983	131,000,000	126,554,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Reimbursable obligations:			
01 Personal services	$4,306,720	$5,003,462	$5,003,462
05 Rents and utility services	3,438,982	3,896,000	3,896,000
07 Other contractual services	3,356,459	9,544,398	9,544,538
08 Supplies and materials	4,756,539	9,856,140	9,856,000
09 Equipment	14,412,695	25,026,000	29,253,000
Total reimbursable obligations	30,271,395	53,326,000	57,553,000
Total obligations	156,735,378	184,326,000	184,107,000

Research and Development

For expenses necessary for basic and applied scientific research and development, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$505,000,000] *$641,045,000,* to remain available until expended. (*10 U. S. C. 174, 1584, 2352–57, 5150–53, 7522; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$505,000,000** Estimate 1959, **$641,045,000**
Appropriated (adjusted) 1958, **$526,731,386**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Aircraft and related equipment	$125,526,728	$119,469,386	$111,802,000
2. Guided missiles and related equipment	159,314,051	187,588,600	274,340,000
3. Ships and small craft and related equipment	73,518,427	80,608,000	97,440,000
4. Combat and support vehicles and related equipment		134,600	70,000
5. Artillery and other weapons and related equipment	222,800	665,000	1,020,000
6. Ammunition and related equipment	50,876,197	40,958,600	44,170,000
7. Other equipment	29,551,012	32,599,400	35,982,000
8. Military sciences	98,897,458	64,707,800	76,221,000
Total obligations	537,906,673	526,731,386	641,045,000
Financing:			
Unobligated balance brought forward	−19,002,138	−22,725,465	−22,725,465
Unobligated balance transferred from "Emergency fund" (70 Stat. 456)	−13,000,000		
Unobligated balance carried forward	22,725,465	22,725,465	22,725,465
New obligational authority	528,630,000	526,731,386	641,045,000
New obligational authority:			
Appropriation	$492,000,000	$505,000,000	$641,045,000
Transferred from "Emergency fund" (70 Stat. 456 and 71 Stat. 313)	36,630,000	23,338,800	
Transferred to "Expenses," Airways Modernization Board (31 U. S. C. 581c)		−1,607,414	
Appropriation (adjusted)	528,630,000	526,731,386	641,045,000

This appropriation provides for basic and applied scientific research and for the development and improvement of weapons and equipment of the Navy. The work is conducted by contracts with industry, private research organizations, and universities; and by the research, development, and test facilities operated by the Navy and other Government agencies. Additional funds for development and for procurement of items for test and evaluation are provided in the procurement appropriations of the Navy.

1. *Aircraft and related equipment.*—This activity provides for research and development of piloted aircraft and related integral equipment including, for example, engines, armament, and communications, navigation, bombing, and fire-control equipment.

2. *Guided missiles and related equipment.*—This activity provides for research and development of air-to-air, air-to-surface, surface-to-air and surface-to-surface guided mis-

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

RESEARCH AND DEVELOPMENT—Continued

siles and related equipment, fuels, and propellants. An increase is budgeted in 1959 primarily to provide for an augmented effort in the development of surface-to-surface missiles.

3. *Ships and small craft and related equipment.*—This activity provides for research and development of ships and small craft and their components, such as hulls, engines and propulsion machinery, guns, radar, sonar, fire-control systems and other electronics equipment for shipboard use, catapults and arresting gear, shipboard mine countermeasures equipment, and other installed equipment.

4. *Combat and support vehicles and related equipment.*—This activity provides for research and development of vehicles for the Marine Corps.

5. *Artillery and other weapons and related equipment.*—The developments under this activity relate to specialized weapons for the Marine Corps.

6. *Ammunition and related equipment.*—This activity provides for research and development of mines, depth charges, rockets, bombs and clusters, shells, torpedoes, and other types of ammunition and related components.

7. *Other equipment.*—This activity provides for research and development of equipment not separately provided for under other budget programs including certain navigation, detection, and warning equipment, harbor defense equipment, shore-based antisubmarine and mine countermeasures systems, training devices, radiological and aerological equipment, and personal equipment.

8. *Military sciences.*—This activity provides for research in areas of science important to military technology and operations; for scientific analyses of military operations; and for the development of materials and components having navywide application.

The costs of operating Navy research and development installations, such as the Naval Research Laboratory and the Naval Air Missile Test Center, are distributed among these activities.

Obligations incurred in the above programs are attributable to the various naval organizations, as follows:

CLASSIFICATION OF PROGRAM FOR ADMINISTRATIVE PURPOSES

	1957 actual	*1958 estimate*	*1959 estimate*
1. Office of Naval Research	$85,534,928	$56,314,800	$67,900,000
2. Bureau of Aeronautics	167,750,350	163,402,086	161,180,000
3. Bureau of Ships	82,800,798	84,223,000	103,895,000
4. Bureau of Ordnance	187,627,031	208,582,000	290,700,000
5. Bureau of Medicine and Surgery	4,491,629	4,474,000	4,600,000
6. Bureau of Yards and Docks	3,364,840	3,262,000	3,400,000
7. Bureau of Supplies and Accounts	934,770	947,000	2,220,000
8. Bureau of Naval Personnel	527,126	672,500	650,000
9. Marine Corps	4,875,201	4,854,000	6,500,000
Total obligations	537,906,673	526,731,386	641,045,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	23,383	22,255	21,828
Full-time equivalent of all other positions	10	14	14
Average number of all employees	21,469	21,104	20,704
Number of employees at end of year	22,435	21,428	21,020
Average GS grade and salary	8.7 $5,720	8.8 $5,740	8.8 $5,748
Average salary of ungraded positions	$5,110	$5,129	$5,129
01 Personal services:			
Permanent positions	$112,090,977	$113,249,272	$111,525,644
Positions other than permanent	77,745	107,920	107,920
Other personal services	4,224,093	3,761,937	3,738,606
Total personal services	116,392,815	117,119,129	115,372,170

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY—continued			
02 Travel	$3,236,442	$3,745,919	$3,721,528
03 Transportation of things	78,892	99,000	159,200
04 Communication services	736,749	955,820	901,620
05 Rents and utility services	3,606,309	3,889,088	3,941,008
06 Printing and reproduction	274,105	285,250	298,350
07 Other contractual services	336,267,363	318,358,046	435,218,545
Services performed by other agencies	2,031,846	2,394,000	2,240,000
08 Supplies and materials	46,149,112	44,606,800	44,724,100
09 Equipment	30,713,895	30,601,700	29,881,700
10 Lands and structures	93,666	144,900	52,000
11 Grants, subsidies, and contributions	1,531	7,425,098	7,299,969
15 Taxes and assessments	34,019	35,610	34,810
Subtotal	539,616,744	529,660,360	643,845,000
Deduct portion of foregoing obligations originally charged to object classes 07, 08, and 09	3,407,749	3,090,000	2,800,000
Total, Department of the Navy	536,208,995	526,570,360	641,045,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	13	4	
Full-time equivalent of all other positions	13	2	
Average number of all employees	26	6	
Number of employees at end of year	9	4	
Average GS grade and salary	7.6 $5,612	7.7 $5,715	
Average salary of ungraded positions	$4,479	$4,560	
01 Personal services:			
Permanent positions	$70,205	$25,166	
Positions other than permanent	66,276	11,534	
Other personal services	377	104	
Total personal services	136,858	36,804	
02 Travel	3,377	200	
03 Transportation of things		50	
04 Communication services	541		
05 Rents and utility services	2,002		
06 Printing and reproduction	184		
07 Other contractual services	1,538,342	87,174	
08 Supplies and materials	14,583	376	
09 Equipment	1,656	35,222	
11 Grants, subsidies, and contributions		1,100	
15 Taxes and assessments	135	100	
Total allocation accounts	1,697,678	161,026	
Total obligations	537,906,673	526,731,386	641,045,000
Obligations are distributed as follows:			
Department of the Navy	$536,208,995	$526,570,360	$641,045,000
Department of the Interior	66,424	21,373	
Department of Commerce	624,802	124,872	
Department of the Army	5,893		
Department of Health, Education, and Welfare	12,326	8,215	
Atomic Energy Commission	959,187		
Library of Congress	28,892	6,566	
Department of Agriculture	154		

SERVICEWIDE SUPPLY AND FINANCE

For expenses necessary for maintenance and operation of servicewide supply and finance activities, including supply depots and centers, purchasing offices, supply demand control points, fleet fueling facilities, overseas air cargo terminals, regional accounting and disbursing offices, the material catalog office, and other servicewide supply and finance facilities, as designated by the Secretary; procurement of supplies, services, special clothing, and equipment; transportation of household effects of civilian employees; industrial mobilization; losses in exchange and in the accounts of disbursing officers, as authorized by law; and departmental salaries; [$300,000,000] *$312,637,000. (10 U. S. C. 5131 (6); Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$300,000,000** Estimate 1959, **$312,637,000**
Appropriated (adjusted) 1958, **$294,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Supply distribution	$179,373,778	$182,229,000	$184,686,000
2. Commodity control	79,193,824	74,743,000	92,227,000
3. Cataloging	10,364,558	9,378,000	8,317,000
4. Servicewide finance	21,245,784	21,959,000	21,667,000
5. Departmental administration	6,699,245	6,191,000	5,740,000
Total direct obligations	296,877,189	294,500,000	312,637,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Supply distribution	$9,716,205	$12,483,000	$6,746,000
2. Commodity control	3,440,000	805,000	805,000
4. Servicewide finance	17,000	34,000	2,000
5. Departmental administration	93,000	40,000	40,000
Total reimbursable obligations	13,266,205	13,362,000	7,593,000
Total obligations	310,143,394	307,862,000	320,230,000
Financing:			
Unobligated balance brought forward (69 Stat. 438)	−202,289	−747,594	−700,000
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year			
All other	−13,238,937	−12,614,406	−6,893,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−593,000	−700,000	
Unobligated balance carried forward (69 Stat. 438)	747,594	700,000	
Unobligated balance no longer available	629,638		
New obligational authority	297,486,400	294,500,000	312,637,000
New obligational authority:			
Appropriation	$289,644,000	$300,000,000	$312,637,000
Transferred (71 Stat. 178) from—			
"Reserve personnel, Navy"	5,000,000		
"Military personnel, Marine Corps"	3,000,000		
Transferred to—			
"Operation and maintenance," Army (63 Stat. 589)	−157,600		
"United States scientific satellite" (71 Stat. 428)		−5,500,000	
Appropriation (adjusted)	297,486,400	294,500,000	312,637,000

Provision is made for operation of activities performing servicewide supply and finance functions, such as supply, purchasing, supply demand control, fleet-fueling, overseas air cargo handling, accounting and disbursing, materiel cataloging, and transportation control.

1. *Supply distribution.*—The Bureau of Supplies and Accounts provides for receipt, custody, warehousing, and issue of logistic materiels and equipment in support of naval forces through 50 supply outlets.

Function	*Workload factor*	*1957 actual*	*1958 estimate*	*1959 estimate*
Direct force support	Supply issues	14,490,800	13,833,600	13,346,800
Materiel replenishment	Supply receipts	3,871,400	3,680,000	3,537,100
Materiel custody	Measurement tons in store.	8,627,000	8,427,000	8,365,800

2. *Commodity control.*—This is for the operation of 14 supply demand control offices to provide for availability of materiels with minimum essential inventory; for purchasing offices engaged in procurement; for commercial transportation covering movement of materiel between Navy activities; and for conducting studies on the availability of materiel and production facilities.

Function	*Workload factor*	*1957 actual*	*1958 estimate*	*1959 estimate*
System inventory control	Supply actions	5,454,000	5,109,700	4,829,700
Transportation, inland	Tons	1,611,800	1,162,400	1,162,400
Transportation, ocean	do	831,900	599,700	599,700

3. *Cataloging.*—Descriptions of items are developed to determine interchangeability, to consolidate purchases, and meet the Navy's responsibilities under the Federal catalog program.

4. *Servicewide finance.*—Servicewide accounting and disbursing services are provided by 55 offices. The following table indicates representative functions and workloads for this activity:

	1957 actual	*1958 estimate*	*1959 estimate*
Average number of military pay accounts	333,100	325,700	314,300
Average number of military allotment accounts	944,300	922,700	890,800
Number of vouchers paid	3,185,400	3,186,400	3,158,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		43,870	41,978	40,104
Average number of all employees		43,168	41,192	39,370
Number of employees at end of year		41,776	39,997	37,697
Average GS grade and salary		4.7 $4,084	4.7 $4,108	4.7 $4,129
Average salary of ungraded positions		$4,320	$4,344	$4,368
Personal service obligations:				
Permanent positions		$180,163,670	$172,972,000	$166,376,000
Other personal services		5,747,983	4,177,000	4,062,000
Total personal service obligations		185,911,653	177,149,000	170,438,000
Direct obligations:				
01	Personal services	181,411,653	174,149,000	169,484,000
02	Travel	1,463,965	1,401,000	1,388,000
03	Transportation of things	43,246,114	34,000,000	52,376,000
04	Communication services	1,452,490	1,389,000	1,380,000
05	Rents and utility services	6,681,836	6,800,000	7,300,000
06	Printing and reproduction	2,202,890	2,108,000	2,083,000
07	Other contractual services	15,054,511	14,950,000	14,940,000
	Services performed by other agencies	31,775,670	36,203,000	40,610,000
	Labor contracts with foreign governments [1]	1,594,658	1,505,000	1,458,000
	Private foreign labor contracts [2]	1,744,481	1,708,000	1,658,000
08	Supplies and materials	8,834,516	8,454,000	8,369,000
09	Equipment	915,619	840,000	825,000
11	Grants, subsidies, and contributions		10,662,000	10,438,000
13	Refunds, awards, and indemnities	447,315	282,000	280,000
15	Taxes and assessments	51,471	49,000	48,000
Total direct obligations		296,877,189	294,500,000	312,637,000
Reimbursable obligations:				
01	Personal services	4,500,000	3,000,000	954,000
07	Other contractual services	4,194,690	5,977,000	2,540,000
08	Supplies and materials	4,544,247	3,460,000	3,342,000
09	Equipment	27,268	747,000	700,000
11	Grants, subsidies, and contributions		178,000	57,000
Total reimbursable obligations		13,266,205	13,362,000	7,593,000
Total obligations		310,143,394	307,862,000	320,230,000

[1] Average number: 1957, 1,449; 1958, 1,368; 1959, 1,325.
[2] Average number: 1957, 872; 1958, 762; 1959, 654.

Servicewide Operations

For expenses necessary for maintenance and operation of the Naval Observatory, the Hydrographic Office, servicewide communications, naval records centers, naval district headquarters (except training officers), river commands, the cost inspection service, and other servicewide operations and functions not otherwise provided for; procurement of supplies, services and equipment for activities financed hereunder; cryptographic equipment; Latin-American cooperation; not to exceed [$10,921,000] *$11,152,000* for emergencies and extraordinary expenses as authorized by section 7202 of title 10, United States Code, to be expended on the approval and authority of the Secretary, and his determination shall be final and conclusive upon the accounting officers of the Government; and departmental salaries; [$107,000,000] *$113,257,000.* (*10 U. S. C. 7202, 7208, 7391–6; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$107,000,000** Estimate 1959, **$113,257,000**
Appropriated (adjusted) 1958, **$105,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administrative headquarters for naval districts, bases, and stations	$15,239,307	$15,495,000	$14,956,000
2. Servicewide communications	26,439,684	28,530,000	35,011,000
3. Hydrographic Office	10,568,118	11,041,000	11,473,000
4. Naval Observatory	749,065	819,000	836,000
5. Inter-American affairs and support of international projects	2,856,396	3,665,000	4,926,000
6. Departmental administration	18,795,976	19,621,000	19,478,000
7. Printing equipment and related costs, printing plants	310,210	300,000	300,000
8. Field services	13,837,825	14,506,000	15,125,000
9. Contingencies of the Navy	9,538,808	10,423,000	11,152,000
Total obligations	98,335,389	104,400,000	113,257,000

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

SERVICEWIDE OPERATIONS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$4,099,611	$700,000	
New obligational authority	102,435,000	105,100,000	$113,257,000
New obligational authority:			
Appropriation	$102,435,000	$107,000,000	$113,257,000
Transferred to "Emergency fund" (71 Stat. 313)		−1,900,000	
Appropriation (adjusted)	102,435,000	105,100,000	113,257,000

1. *Administrative headquarters for naval districts, bases, and stations.*—This activity finances administration at 14 naval districts, 1 river command, 5 naval bases, 5 boards of inspection and survey, and 16 naval stations.

2. *Servicewide communications.*—The naval communication system, a combination of leased and Government-owned communication facilities, provides rapid and secure worldwide communications to the naval operating forces and the Naval Shore Establishment.

3. *Hydrographic Office.*—The Hydrographic Office provides hydrographic and oceanographic charts and publications for safe navigation of the Navy and merchant marine; it also supports and participates in special and military projects for the Department of Defense.

4. *Naval Observatory.*—Astronomical data are supplied for safe navigation. Accurate time is determined and time signals and time transmissions are controlled, not only for the Navy, but for the Nation. Continuous astronomical observations and research are conducted for the general advancement of navigation and astronomy. The residence of the Chief of Naval Operations is maintained.

5. *Inter-American affairs and support of international projects.*—Hemispheric defense is improved by standardization of equipment and training and operation of Latin-American navies in accordance with U. S. Navy standards. Provision is also made for support of those unified commands and for support of Pacific command military assistance advisory groups, for which the Department of the Navy is the executive agency; as well as support of civil administration in the Trust Territory of the Pacific.

6. *Departmental administration.*—Provision is made for expenses incurred at the seat of government by the Offices of (*a*) the Chief of Naval Operations in commanding the operating forces, (*b*) the Judge Advocate General in providing legal services for the Naval Establishment, (*c*) the Chief of Naval Research in coordinating and conducting naval research and development, and (*d*) the Secretary of the Navy in directing and supervising the Department.

7. *Printing equipment and related costs, printing plants.*—This provides funds for purchase and installation of printing equipment for the 28 printing plants of the Defense printing service (Washington) and the Navy printing service (field) which are operated under the Navy industrial fund.

8. *Field services.*—Provision is made for expenses incurred in the field in administering the navywide records administration, wage and classification, Fleet Home Town News, and internal and contract audit programs. Included also are costs of installation and maintenance of specialized training equipment which simulates operating problems for use in individual and large-scale training, and administration of all activities on behalf of the Department of the Navy relating to patents, inventions, trademarks, copyrights, royalty payments, and similar matters.

9. *Contingencies of the Navy.*—Expenditures for emergencies and for extraordinary requirements are provided for upon approval of the Secretary.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	12,140	12,200	12,098
	Full-time equivalent of all other positions	3	5	7
	Average number of all employees	11,525	11,657	11,771
	Number of employees at end of year	11,658	11,686	11,950
	Average GS grade and salary	8.2 $6,007	8.4 $6,031	8.6 $6,055
	Average salary of ungraded positions	$3,909	$3,878	$3,882
01	Personal services:			
	Permanent positions	$55,071,089	$56,636,875	$56,934,430
	Positions other than permanent	33,185	55,100	70,100
	Other personal services	2,356,325	2,613,640	2,700,470
	Total personal services	57,460,599	59,305,615	59,705,000
02	Travel	2,395,603	2,851,890	3,360,692
03	Transportation of things	165,275	185,100	188,600
04	Communication services	4,070,057	4,242,550	6,310,200
05	Rents and utility services	2,112,722	2,313,720	2,461,400
06	Printing and reproduction	1,759,791	1,970,550	2,015,749
07	Other contractual services	12,360,080	11,596,825	13,609,110
	Services performed by other agencies	868,781	610,300	606,000
	Labor contracts with foreign governments [1]	679,700	1,053,900	1,117,100
08	Supplies and materials	6,850,621	5,926,685	6,708,828
09	Equipment	9,351,169	10,341,835	13,123,200
11	Grants, subsidies, and contributions	220,018	3,966,600	4,017,971
15	Taxes and assessments	40,973	34,430	33,150
	Total obligations	98,335,389	104,400,000	113,257,000

[1] Average number of persons: 1957, 747; 1958, 935; 1959, 966.

NAVAL PETROLEUM RESERVES

For expenses necessary for exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law, [$825,000] *$1,683,000. (10 U. S. C. 7421–38; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$825,000** Estimate 1959, **$1,683,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Naval petroleum reserves and related development	$160,996	$665,000	$1,528,000
2. Naval oil shale reserves	213,000		
3. Field administration	134,363	160,000	155,000
Total obligations	508,359	825,000	1,683,000
Financing:			
Unobligated balance no longer available	174,641		
Appropriation (new obligational authority)	683,000	825,000	1,683,000

The naval petroleum and oil shale reserves were established by Executive order to provide a supplemental stockpile of oil for national defense.

Provision is made for maintenance and operational activities as follows:

1. *Naval petroleum reserves and related development.*—This activity provides for Navy's share of operation and

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production costs under the unit plan contract in Naval Petroleum Reserve No. 1 (Elk Hills field), California; supervision of lease operations on Government-leased lands in Naval Petroleum Reserve No. 2 (Buena Vista Hills field), California; and the drilling and production of offset wells in Naval Petroleum Reserve No. 3 (Teapot Dome field), Wyoming, to prevent drainage of oil from the reserve.

3. *Field administration.*—This provides for the office of the director, two field inspection offices, and employment of expert consultants.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	16	15	15
Average number of all employees	13	15	15
Number of employees at end of year	15	14	15
Average GS grade and salary	8.2 $6,007	8.4 $6,031	8.6 $6,055
Average salary of ungraded positions	$3,909	$3,878	$3,882
01 Personal services:			
Permanent positions	$77,563	$92,200	$93,600
Other personal services	2,302	1,600	1,600
Total personal services	79,865	93,800	95,200
02 Travel	10,929	14,000	14,000
04 Communication services	1,597	1,900	1,900
06 Printing and reproduction	727	1,300	1,300
07 Other contractual services	405,219	697,600	1,554,200
08 Supplies and materials	6,223	6,500	6,500
09 Equipment	3,604	4,000	4,000
11 Grants, subsidies, and contributions		5,800	5,800
15 Taxes and assessments	195	100	100
Total obligations	508,359	825,000	1,683,000

[Military Construction, Navy]

[For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as authorized by section 505 of the Act of September 28, 1951 (Public Law 155), the Act of August 7, 1953 (Public Law 209), the Act of July 27, 1954 (Public Law 534), the Act of September 1, 1954 (Public Law 765), the Act of July 15,1955 (Public Law 161), the Act of August 3, 1956 (Public Law 968), and the additional projects as may be authorized by law during the first session of the Eighty-fifth Congress, without regard to section 3734 Revised Statutes, as amended, including personnel in the Bureau of Yards and Docks and other personal services necessary for the purposes of this appropriation, to remain available until expended, $265,000,000.] (*31 U. S. C. 635; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$265,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public works construction	$393,421,502	$287,500,000	$105,500,000
2. Minor construction	510,312	2,500,000	500,000
3. Planning	10,528,468	7,000,000	4,000,000
4. Supporting activities	3,407,391	3,000,000	2,000,000
5. Reserve forces construction	60		
Total obligations	407,867,733	300,000,000	112,000,000
Financing:			
Unobligated balance brought forward	−185,794,973	−177,927,240	−142,927,240
Unobligated balance transferred (70 Stat. 678) from—			
"Marine Corps stock fund"	−35,000,000		
"Navy stock fund"	−200,000,000		
Unobligated balance carried forward	177,927,240	142,927,240	30,927,240
Appropriation (new obligational authority)	165,000,000	265,000,000	

1. *Public works construction.*—This program provides for acquisition of land for, and construction of military public works projects in, the United States and overseas as authorized by Congress in current military public works authorization acts. These projects support the current and long-range programs to strengthen and modernize the Navy.

2. *Minor construction.*—Provision is made for construction of permanent and temporary public works that are not otherwise authorized by law but which are determined to be urgently required and do not exceed $200,000 per project.

3. *Planning.*—This provides for necessary planning of military construction projects, including design, standards, criteria, studies, appraisals, and other related activities.

4. *Supporting activities.*—Provision is made for activities such as the defense access road program and the architect-engineer services, land, and utilities in support of the privately financed Capehart housing program.

An additional amount anticipated for military construction is included under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	2,190	2,476	2,356
Average number of all employees	1,914	2,143	2,050
Number of employees at end of year	1,930	2,161	2,046
Average GS grade and salary	7.0 $5,316	7.0 $5,340	7.0 $5,364
Average salary of ungraded positions	$3,862	$3,879	$3,879
01 Personal services:			
Permanent positions	$9,943,160	$11,349,106	$10,865,000
Other personal services	961,366	1,059,094	1,000,000
Total personal services	10,904,526	12,408,200	11,865,000
02 Travel	678,478	600,000	550,000
03 Transportation of things	3,901,599	3,105,000	3,000,000
04 Communication services	115,338	100,000	100,000
05 Rents and utility services	1,340,291	1,000,000	1,000,000
06 Printing and reproduction	104,475	90,000	85,000
07 Other contractual services	2,784,433	2,500,000	1,500,000
08 Supplies and materials	9,761,977	9,000,000	7,000,000
09 Equipment	13,447,996	11,000,000	9,000,000
10 Lands and structures	363,065,971	256,909,208	76,287,000
11 Grants, subsidies, and contributions		500,000	450,000
15 Taxes and assessments	50,485	55,000	53,000
Total, Department of the Navy	406,155,569	297,267,408	110,890,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	9	29	20
Full-time equivalent of all other positions		6	6
Average number of all employees	12	35	23
Number of employees at end of year	6	30	30
Average GS grade and salary	7.0 $5,316	7.0 $5,340	7.0 $5,364
01 Personal services:			
Permanent positions	$50,129	$161,109	$113,300
Positions other than permanent		36,800	36,800
Other personal services	13,976	31,141	13,900
Total personal services	64,105	229,050	164,000
02 Travel	1,138	7,000	5,000
03 Transportation of things	10,464	11,000	10,000
04 Communication services	194	700	300
05 Rents and utility services		5,000	5,000
06 Printing and reproduction	2	100	100
07 Other contractual services	496,791	662,160	38,000
08 Supplies and materials		80,426	80,000
09 Equipment		25,000	25,000
10 Lands and structures	1,139,470	1,698,956	772,600
11 Grants, subsidies, and contributions		13,200	10,000
Total, allocation accounts	1,712,164	2,732,592	1,110,000
Total obligations	407,867,733	300,000,000	112,000,000
Obligations are distributed as follows:			
Department of the Navy	$406,155,569	$297,267,408	$110,890,000
Department of the Army	856,766	1,251,065	
Department of Commerce	850,074	1,480,841	1,110,000
Department of the Interior	596	426	
American Battle Monuments Commission	4,728	260	

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DEPARTMENT OF THE NAVY—Continued

Current authorizations—Continued

Construction of Ships (Liquidation of Contract Authorization)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. 1948 program	$3,340,170		
2. 1949 program	130		
3. 1950 program	220		
4. 1951 program	3,630,260		
Total obligations	6,970,780		
Financing:			
Unobligated balance brought forward:			
Appropriation	−40,557,077		
Contract authorization	−18,428,000		
Unobligated balance rescinded: Appropriation (70 Stat. 463)	3,800,000		
Unobligated balance transferred to "Emergency fund" (70 Stat. 456)	13,000,000		
Unobligated balance transferred to "Medical care" (71 Stat. 178)	10,000,000		
Unobligated balance of contract authorization rescinded (70 Stat. 460)	18,428,000		
Unobligated balance no longer available	6,786,297		
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$18,428,000		
Unfunded balance rescinded (70 Stat. 461)	−18,428,000		
Appropriation to liquidate contract authorization			

Object Classification

Total number of permanent positions		211			
Average number of all employees		206			
Number of employees at end of year		39			
Average GS grade and salary	6.3	$5,022			
Average salary of ungraded positions		$4,823			
01 Personal services:					
Permanent positions		$1,155,101			
Other personal services		47,463			
Total personal services		1,202,564			
02 Travel		8,326			
03 Transportation		960			
04 Communications services		1,452			
06 Printing and reproduction		463			
07 Other contractual services		3,983,355			
08 Supplies and materials		553,725			
09 Equipment		1,080,275			
13 Refunds, awards, and indemnities		139,271			
15 Taxes and assessments		389			
Total obligations		6,970,780			

Military Construction, Naval Reserve Forces

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Aviation facilities	$14,655,046	$8,300,000	$8,000,000
2. Naval surface facilities	2,718,050	3,000,000	2,000,000
3. Marine ground facilities	2,002,994	1,700,000	1,000,000
Total obligations	19,376,090	13,000,000	11,000,000
Financing:			
Unobligated balance brought forward	−35,396,701	−25,724,611	−12,724,611
Unobligated balance carried forward	25,724,611	12,724,611	1,724,611
Appropriation (new obligational authority)	9,704,000		

This appropriation provides funds for the construction of training centers and stations for fleet, ground, and aviation units of the Naval and Marine Corps Reserve with provisions for joint use with the Reserve forces of the other services. The requirements for aviation facilities include such items as airfield pavement, administrative facilities, barracks, maintenance, repair, and storage facilities. The requirements for Naval and Marine facilities provide mostly for the construction or purchase of training centers for established units.

An additional amount anticipated under proposed legislation is shown under "Proposed for later transmission."

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	115	118	123
Average number of all employees	79	95	80
Number of employees at end of year	92	100	80
Average GS grade and salary	7.0 $5,316	7.0 $5,340	7.0 $5,364
01 Personal services:			
Permanent positions	$398,104	$517,940	$434,240
Other personal services	24,804	19,977	18,000
Total personal services	422,908	537,917	452,240
02 Travel	36,298	30,000	30,000
03 Transportation of things	5,092	5,000	4,000
04 Communication services	8,533	7,000	5,000
05 Rents and utility services	6,079	5,000	4,000
06 Printing and reproduction	6,167	6,000	5,000
07 Other contractual services	4,074,859	1,000,000	850,000
08 Supplies and materials	220,919	200,000	175,000
09 Equipment	104,621	100,000	90,000
10 Lands and structures	14,489,379	10,365,783	9,359,460
11 Grants, subsidies, and contributions		25,000	24,000
15 Taxes and assessments	1,235	1,300	1,300
Total, Department of the Navy	19,376,090	12,283,000	11,000,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
10 Lands and structures		717,000	
Total obligations	19,376,090	13,000,000	11,000,000

Ordnance for New Construction (Liquidation of Contract Authorization)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1948 program (total obligations)	$321,720		
Financing:			
Unobligated balance brought forward:			
Appropriation	−8,112,339		
Contract authorization	−21,000,000		
Recovery of prior year obligations	−910,579		
Unobligated balance rescinded:			
Appropriation (70 Stat. 463)	1,000,000		
Contract authorization (70 Stat. 462)	21,000,000		
Unobligated balance no longer available	7,701,198		
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$21,000,000		
Unfunded balance rescinded (70 Stat. 462)	−21,000,000		
Appropriation to liquidate contract authorization			

Object Classification

DEPARTMENT OF THE NAVY					
Total number of permanent positions		58			
Average number of all employees		54			
Number of employees at end of year		0			
Average GS grade and salary	6.6	$5,100			
Average salary of ungraded positions		$4,509			
01 Personal services:					
Permanent positions		$247,565			
Other personal services		4,624			
Total personal services		252,189			
07 Other contractual services		21,980			
Total, Department of the Navy		274,169			

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO DEPARTMENT OF THE ARMY			
07 Other contractual services	$47,551		
Total obligations	321,720		

Preparation for Sale or Salvage of Military Property

(Indefinite special account)

Appropriated (est.) 1958, **$14,000,000** Estimate 1959, **$15,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operating expenses	$10,868,927	$13,950,000	$14,950,000
2. Procurement of equipment	64,224	50,000	50,000
Total obligations	10,933,151	14,000,000	15,000,000
Financing:			
Appropriation (new obligational authority)	10,933,151	14,000,000	15,000,000

As authorized by the Congress annually, proceeds from the sale of scrap, salvage, or surplus material are used to finance preparation for sale or salvage of scrap, salvage, and surplus material and all costs of sales of such materials (71 Stat. 430). The following is a fiscal-year comparison of the programed activity:

	1957 actual	*1958 estimate*	*1959 estimate*
Tons of material disposed of	195,275	213,000	266,000
Dollar value of material disposed of	$1,395,157,000	$1,522,000,000	$1,903,000,000
Proceeds derived from sales	$48,938,827	$58,000,000	$73,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,749	1,766	2,258
Average number of all employees	1,611	1,733	2,225
Number of employees at end of year	1,720	1,732	2,224
Average GS grade and salary	4.7 $4,084	4.7 $4,108	4.7 $4,129
Average salary of ungraded positions	$4,320	$4,344	$4,368
01 Personal services:			
Permanent positions	$6,485,120	$7,006,100	$8,994,100
Other personal services	99,740	100,000	108,000
Total personal services	6,584,860	7,106,100	9,102,100
03 Transportation of things	983	1,000	1,000
07 Other contractual services	2,728,865	4,538,900	3,321,000
08 Supplies and materials	1,550,976	1,800,000	1,982,000
09 Equipment	64,224	50,000	50,000
11 Grants, subsidies, and contributions		500,000	539,400
15 Taxes and assessments	3,243	4,000	4,500
Total obligations	10,933,151	14,000,000	15,000,000

Construction, Water Supply Facilities, San Diego, California

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction of San Diego aqueduct (total obligations)	$312		
Financing:			
Unobligated balance brought forward	−1,882,195		
Unobligated balance no longer available	1,881,883		
Appropriation (new obligational authority)			

Object Classification

10 Lands and structures	$312		

Allocations Received From Other Accounts

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Mutual security," funds appropriated to the President.
"International Geophysical Year," National Science Foundation.
"Plant acquisition and construction," Atomic Energy Commission.
"Operating expenses," Atomic Energy Commission.
"Research and development," Department of the Army.
"Operation and maintenance," Department of the Army.
"Ship construction," Maritime Activities, Department of Commerce.
"Military construction, Air Force".

Permanent authorizations:

Ships' Stores Profits

(Indefinite special account)

Appropriated (est.) 1958, **$8,100,000** Estimate 1959, **$8,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Welfare and recreation (total obligations)	$8,226,071	$8,100,000	$8,100,000
Financing:			
Unobligated balance brought forward	−2,227,191	−2,303,040	−2,303,040
Unobligated balance carried forward	2,303,040	2,303,040	2,303,040
Appropriation (new obligational authority)	8,301,920	8,100,000	8,100,000

Profits earned in the operation of ships' stores are expended at the discretion of the Secretary of the Navy for the amusement, comfort, contentment, and welfare of officer and enlisted personnel on ships or outside the United States (31 U. S. C. 725s (68); 10 U. S. C. 7604).

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$8,226,071	$8,100,000	$8,100,000

Public enterprise funds:

Defense Housing

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operation and maintenance of housing (total costs)	$793,849	$1,450,000	$1,120,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (unpaid undelivered orders (−)		−183,000	
Obligations incurred for costs of other years (unpaid undelivered orders), net	269,311		1,000
Total program (obligations)	1,063,160	1,267,000	1,121,000
Financing:			
Amounts becoming available:			
Unobligated balance transferred from "Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency (70 Stat. 1106)	375,000		
Income from rentals	1,034,958	1,500,000	1,450,000
Total amounts becoming available	1,409,958	1,500,000	1,450,000
Unobligated balance brought forward		346,798	579,798
Total amounts available	1,409,958	1,846,798	2,029,798
Capital transfers:			
Repayment of investment to Treasury (−)			−375,000
Payment of profits to Treasury (−)			−75,000
Unobligated balance carried forward	−346,798	−579,798	−458,798
Financing applied to program	1,063,160	1,267,000	1,121,000

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DEPARTMENT OF THE NAVY—Continued

Public enterprise funds—Continued

DEFENSE HOUSING—Continued

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units transferred to the Department of Navy (70 Stat. 1106). During 1957, there were 4,263 family units maintained, and a slight reduction in the number of units will occur in 1958 and 1959. Funds are provided by a transfer of $375,000 in 1957 from the Housing and Home Finance Agency and by rental receipts. During 1959, the sum of $450,000 which is surplus to operational requirements of the fund will be returned to the Treasury.

Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1957, $269,311; 1958, $86,311; and 1959, $87,311.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$793,849	$1,450,000	$1,120,000
Receipts from operations (funds provided):			
Revenue	1,034,958	1,500,000	1,450,000
Decrease in selected working capital	15,266		
Total receipts from operations	1,050,224	1,500,000	1,450,000
Budget expenditures	−256,375	−50,000	−330,000

Revenue, Expense, and Retained Earnings

Revenue	$1,034,958	$1,500,000	$1,450,000
Expense	793,849	1,450,000	1,120,000
Net income for the year	241,109	50,000	330,000
Analysis of retained earnings:			
Retained earnings, beginning of year		241,109	291,109
Payment of profits to Treasury (−)			−75,000
Retained earnings, end of year	241,109	291,109	546,109

Financial Condition

Assets:			
Cash with Treasury	$631,375	$681,375	$561,375
Liabilities:			
Current	15,266	15,266	15,266
Government investment:			
Non-interest-bearing capital:			
Start of year		375,000	375,000
Transferred from Housing and Home Finance Agency	375,000		
Repayment of investment (−)			−375,000
End of year	375,000	375,000	
Retained earnings	241,109	291,109	546,109
Total Government investment	616,109	666,109	546,109

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with the Treasury		$631,375	$681,375	$561,375
Obligated balance, net:				
Current liabilities		15,266	15,266	15,266
Unpaid undelivered orders		269,311	86,311	87,311
Total obligated balance		284,577	101,577	102,577
Unobligated balance		346,798	579,798	458,798

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	135	140	136
	Full-time equivalent of all other positions	3	3	3
	Average number of all employees	100	135	126
	Number of employees at end of year	129	135	126
	Average GS grade and salary	4.5 $3,905	4.5 $3,911	4.5 $3,925
	Average salary of ungraded positions	$4,190	$4,270	$4,280
01	Personal services:			
	Permanent positions	$403,286	$563,694	$525,524
	Positions other than permanent	6,570	7,879	7,879
	Other personal services	3,400	3,608	3,585
	Total personal services	413,256	575,181	536,988
02	Travel	205	300	300
04	Communication services	550	700	700
05	Rents and utility services	23,406	37,000	37,000
06	Printing and reproduction	136	200	200
07	Other contractual services	130,595	520,119	254,412
08	Supplies and materials	200,654	242,800	241,800
09	Equipment	24,606	37,200	16,100
11	Grants, subsidies, and contributions		36,000	32,000
15	Taxes and assessments	441	500	500
	Total accrued expenditures	793,849	1,450,000	1,120,000
	Increase or decrease (−) in unpaid undelivered orders	269,311	−183,000	1,000
	Total obligations	1,063,160	1,267,000	1,121,000

LAUNDRY SERVICE, NAVAL ACADEMY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Expense	$516,033	$534,699	$564,196
Depreciation included above (−)	−8,460	−10,696	−13,196
Total operating costs, funded	507,573	524,003	551,000
Capital outlay: Purchase of equipment	14,134	42,138	41,000
Total program costs, funded	521,707	566,141	592,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−3,141	−2,000
Obligations incurred for costs of other years, net	20,525		
Total program (obligations)	542,232	563,000	590,000
Financing:			
Amounts becoming available: Receipts from operations	521,402	540,665	565,000
Unobligated balance brought forward	97,338	76,508	54,173
Total amounts available	618,740	617,173	619,173
Unobligated balance carried forward	−76,508	−54,173	−29,173
Financing applied to program	542,232	563,000	590,000

The Naval Academy laundry is operated for the benefit of midshipmen and other military personnel of the Naval Academy. The charges collected for laundry service are available for operating expenses (10 U. S. C. 6971 (b)).

Relation of costs to obligation.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Supplies	$7,726	$10,696	$10,700	$10,700
Unpaid undelivered orders	2,590	20,145	17,000	15,000
Total selected resources at end of year	10,316	30,841	27,700	25,700
Selected resources at start of year (−)		−10,316	−30,841	−27,700
Costs financed from obligations of other years, net (−)			−3,141	−2,000
Obligations incurred for costs of other years, net		20,525		

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$14,134	$42,138	$41,000
Expense	507,573	524,003	551,000
Total gross expenditures	521,707	566,141	592,000

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Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Revenue	$521,402	$540,665	$565,000
Decrease in selected working capital	13,275	10,476	
Total receipts from operations	534,677	551,141	565,000
Budget expenditures	−12,970	15,000	27,000

Revenue, Expense, and Retained Earnings

Revenue	$521,402	$540,665	$565,000
Expense	516,033	534,699	564,196
Net income for the year	5,369	5,966	804
Retained earnings, beginning of year	176,174	181,543	187,509
Retained earnings, end of year	181,543	187,509	188,313

Financial Condition

Assets:			
Cash with Treasury	$132,916	$117,916	$90,916
Cash on hand	50	50	50
Accounts receivable	7,285	8,014	8,014
Inventory of supplies	10,696	10,700	10,700
Equipment, net	74,194	105,636	133,440
Total assets	225,141	242,316	243,120
Liabilities:			
Current	43,598	54,807	54,807
Government investment:			
Retained earnings	181,543	187,509	188,313

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balances: Cash with Treasury	$119,946	$132,916	$117,916	$90,916
Obligated balances, net:				
Liabilities: Current	27,810	43,598	54,807	54,807
Unpaid undelivered orders	2,590	20,145	17,000	15,000
Accounts receivable, net and cash on hand (−)	−7 792	−7,335	−8,064	−8,064
Total obligated balance	22,608	56,408	63,743	61,743
Unobligated balance	97,338	76,508	54,173	29,173

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	152	151	151
Average number of all employees	149	149	149
Number of employees at end of year	151	149	149
Average GS grade and salary	5.7 $4,502	5.8 $4,606	5.8 $4,688
Average salary of ungraded positions	$2,662	$2,634	$2,642
01 Personal services:			
Permanent positions	$396,227	$407,846	$409,428
Other personal services	28,605	19,254	27,253
Excess of annual leave earned over leave taken	4,614		
Total personal services	429,446	427,100	436,681
04 Communication services	153	160	160
05 Rents and utility services	36,683	36,680	40,000
06 Printing and reproduction	216	215	230
08 Supplies and materials	42,469	31,640	45,614
09 Equipment	14,134	42,138	41,000
11 Grants, subsidies, and contributions		26,612	26,715
15 Taxes and assessments	1,576	1,600	1,600
Total accrued expenditures	524,677	566,145	592,000
Increase or decrease (−) in unpaid undelivered orders	17,555	−3,145	−2,000
Total obligations	542,232	563,000	590,000

Intragovernmental funds:

MARINE CORPS STOCK FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Electronics parts	$1,325,364	$5,900,000	$5,200,000
Engineer property material and parts	2,229,657	2,400,000	2,500,000
General property	9,415,930	6,600,000	5,800,000
Clothing and textiles	19,202,284	20,000,000	23,200,000
Motor transport equipment and parts	1,864,006	2,800,000	3,300,000
Commissary stores supplies		16,000,000	15,600,000
Ordnance equipment and parts	3,531,760	4,200,000	4,200,000
Subsistence	15,618,705	30,000,000	25,500,000
Fuels	4,951,115	5,100,000	5,100,000
Total program (obligations)	58,138,821	93,000,000	90,400,000
Financing:			
Sales of goods:			
Electronics parts	1,561,206	6,000,000	6,900,000
Engineer property material and parts	3,760,133	4,500,000	4,500,000
General property	12,915,006	12,100,000	12,300,000
Clothing and textiles	25,900,176	21,500,000	22,000,000
Motor transport equipment and parts	4,481,992	5,500,000	6,000,000
Commissary stores supplies		15,500,000	15,700,000
Ordnance equipment and parts	5,933,832	9,000,000	9,000,000
Subsistence	11,316,531	30,000,000	26,000,000
Fuels	4,857,219	5,100,000	5,100,000
Total sales of goods	70,726,095	109,200,000	107,500,000
Decrease (−) in unfilled customer orders	−3,400,000		
Adjustment of prior year revenue	−52,408		
Total amounts becoming available	67,273,687	109,200,000	107,500,000
Unobligated balance brought forward	62,186,258	33,321,124	29,521,124
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Navy accounts	42,548	7,588	
Total amounts available	129,502,493	142,528,712	137,021,124
Rescission (70 Stat. 463)	−3,000,000		
Transferred to—			
"Military construction, Navy" (70 Stat. 681)	−35,000,000		
"Military personnel, Navy" (71 Stat. 316)		−20,000,000	
"Loran stations" (1959 appropriation act)			−20,000,000
Deliveries of materiel common to United States requirements ordered by military assistance	−42,548	−7,588	
Unobligated balance carried forward	−33,321,124	−29,521,124	−26,621,124
Financing applied to program	58,138,821	93,000,000	90,400,000

This fund finances the procurement and maintenance of levels of inventories of common-use items for resale and mobilization reserve.

In 1957 this fund was extended to include perishable subsistence and additional items in a number of the other categories. These increases in capitalization, however, were more than offset by a large-scale transfer of depot-level stocks of clothing and textile material to the control of the single manager for that material in the Army stock fund so that a net decrease of approximately $50 million was shown for the year.

In 1958 inventories of commissary stores are brought under the fund along with additional items of electronics, ordnance, general property, and engineers materiel. By the end of 1958 practically all of the secondary items and repair parts will be financed under the stock fund, except for ammunition.

Changes in inventory capitalized under each category of the fund are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Electronics parts	$3,873,415	$64,418,000	$3,151,000
Engineer property materials and parts	3,989,352	9,750,000	147,000
General property	−30,872,717	10,593,000	1,500,000
Clothing and textiles	−37,562,730	−6,264,000	460,000
Motor transports equipment and parts	3,216,642	2,436,000	513,000

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DEPARTMENT OF THE NAVY—Continued

Intragovernmental funds—Continued

MARINE CORPS STOCK FUND—Continued

	1957 actual	*1958 estimate*	*1959 estimate*
Commissary stores supplies	----------	$1,500,000	----------
Ordnance equipment and parts	$4,314,571	32,609,000	$273,000
Subsistence	31,276	----------	----------
Fuels	234,076	1,000	1,000
Total inventories capitalized during year (net of decapitalizations)	−52,776,115	115,043,000	6,045,000
Decrease (−) in undelivered purchase to be paid from other accounts	−14,645,027	−5,754,000	−2,000,000
Charges (−) against capital for loss on disposal of inventory surplus at time of capitalization	−3,519,419	−15,060,000	−27,904,000
Net change in capitalized inventories	−70,940,561	94,229,000	−23,859,000

Budget program.—The $32.3 million increase in the budget program from 1957 to 1959 is almost directly related to the increases in the capitalization of the fund. Commissary stores, which were not under the fund in 1957, will attain a $15.6 million level program in 1959. The $9.9 million increase in subsistence results from a full year's requirement for perishable subsistence compared to a 6 months' requirement in 1957 and the $3.9 million increase in electronics results from items capitalized in 1958. The clothing and textiles increase results from a higher number of recruits required in 1959 even though the overall strength of the Marine Corps is coming down.

In 1959 approximately $16 million worth of inventory will be sold from long-supply stocks which do not require replacement. This is essentially the same amount of inventory drawdown that occurred in 1957 and 1958. The budget program is based on year-end inventories as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Electronics parts:			
Operating stocks	$4,774,332	$44,507,801	$38,829,023
Mobilization reserve stocks	1,909,106	5,860,106	5,710,106
Excess or surplus stocks awaiting disposal	694,989	11,575,000	7,650,000
Engineer property material and parts:			
Operating stocks	26,083,778	28,748,886	22,905,399
Mobilization reserve stocks	6,195,800	6,633,800	6,463,800
Excess or surplus stocks awaiting disposal	6,988,333	8,989,000	10,939,000
General property:			
Operating stocks	57,932,284	45,809,462	31,565,654
Mobilization reserve stocks	8,893,272	16,590,272	16,590,272
Excess or surplus stocks awaiting disposal	9,543,311	20,086,000	21,986,000
Clothing and textiles:			
Operating stocks	21,075,574	8,471,871	8,912,154
Mobilization reserve stocks	10,496,661	11,020,661	12,097,661
Excess or surplus stocks awaiting disposal	5,327,854	4,278,000	2,775,000
Motor transport equipment and parts:			
Operating stocks	25,561,886	23,694,630	18,734,515
Mobilization reserve stocks	13,039,559	14,489,559	14,129,559
Excess or surplus stocks awaiting disposal	696,739	1,057,000	4,217,000
Commissary stores supplies: Operating stocks	----------	1,377,535	1,413,107
Ordnance equipment and parts:			
Operating stocks	111,050,312	108,250,870	70,140,839
Mobilization reserve stocks	13,888,467	18,041,467	17,605,467
Excess or surplus stocks awaiting disposal	487,116	21,243,000	36,243,000
Subsistence: Operating stocks	3,397,969	1,850,595	1,851,205
Fuels:			
Operating stocks	908,737	603,335	507,089
Excess or surplus stocks awaiting disposal	45,056	----------	----------
Summary:			
Operating stocks	250,784,872	263,314,985	194,858,985
Mobilization reserve stocks	54,422,865	72,635,865	72,596,865
Excess or surplus stocks awaiting disposal	23,783,398	67,228,000	83,810,000
Total inventories	328,991,135	403,178,850	351,265,850

Financing operations.—Funds for financing the budget program are derived from sales to authorized customers. Sales are expected to increase in 1959 about 52% over 1957. Practically all of this increase results from the sale of items brought into the fund in 1958 and 1959. Cash receipts are expected to exceed cash sales in 1959. It is recommended that $20 million in excess cash be transferred to the Loran stations appropriation.

Operating results.—A net loss of $13.1 million is forecast for 1959 operations. This results in a large measure from the disposal or donation of material in long supply at the time of capitalization under the fund. Since the excess material awaiting disposal is still a substantial quantity at the end of 1959, losses of this magnitude or greater can be expected in the future.

Net inventory losses of $1.7 million and $1.8 million are expected in 1958 and 1959, respectively, compared with a $2.9 million loss experienced in 1957. This loss represents the net from discrepancies in shipment, losses in storage, pilferage, differences disclosed by physical inventories, and accounting adjustments. The decreases in 1958 and 1959 result largely from the exclusion of accounting adjustments which made up about one-half of the net loss in 1957.

Financial condition.—The investment of the Government in the fund at June 30, 1959, will be $397 million made up of $518.5 million of capitalized assets, less net rescissions of $88 million and a deficit of $33.5 million.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale	$54,434,815	$90,432,000	$89,297,000
Transportation	360,016	275,000	230,000
Repair of unserviceable inventory	189,687	464,000	480,000
Other operating expenses	17,341	455,000	493,000
Increase (−) or decrease in accounts payable (net)	−277,866	1,374,000	----------
Total gross expenditures	54,723,993	93,000,000	90,500,000
Receipts from operations (funds provided):			
Reimbursable sales	70,726,095	109,200,000	107,500,000
Increase (−) in accounts receivable and other debits	−734,174	−200,000	----------
Total receipts from operations	69,991,921	109,000,000	107,500,000
Budget expenditures	−15,267,928	−16,000,000	−17,000,000

Revenue, Expense, and Retained Earnings

Revenue: Net sales	$70,726,095	$109,200,000	$107,500,000
Expense:			
Cost of goods purchased, net	54,434,815	90,432,000	89,297,000
Transportation	360,016	275,000	230,000
Repair of unserviceable inventory	189,687	464,000	480,000
Other operating expenses	17,341	455,000	493,000
Inventory decrease from operations	14,373,598	16,594,085	15,968,000
Inventory losses, net	2,905,421	1,739,000	1,775,000
Loss on disposal of inventory at less than standard prices	4,399,274	18,825,000	34,880,000
Charges (−) to capital for loss on disposal of inventory surplus at time of capitalization	−3,519,419	−15,060,000	−27,904,000
Total operating expense	73,160,733	113,724,085	115,219,000
Net operating loss (−)	−2,434,638	−4,524,085	−7,719,000
Markup of inventory due to revision of standard prices	1,009,532	502,800	----------
Donations (−) for education, public health, or civil defense (40 U. S. C. 484 (j) (1), (2))	−3,642,371	−4,200,000	−5,335,000
Net loss (−)	−5,067,477	−8,221,285	−13,054,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−7,134,629	−12,254,514	−20,475,799
Adjustment of prior year income and expense	−52,408	----------	----------
Deficit (−), end of year	−12,254,514	−20,475,799	−33,529,799

Financial Condition

Assets:			
Cash with Treasury	$57,529,879	$53,529,879	$50,529,879
Accounts receivable	725,195	804,306	804,306
Inventories	328,991,135	403,178,850	351,265,850
Due in from undelivered purchases to be paid from other accounts	9,147,259	3,393,259	1,393,259
Total assets	396,393,468	460,906,294	403,993,294
Liabilities:			
Current:			
Accounts payable	8,413,990	7,039,990	7,039,990
Deferred income	120,889	----------	----------
Total liabilities	8,534,879	7,039,990	7,039,990

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Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Government investment:			
Principal of fund:			
Start of year	$509,053,664	$400,113,103	$474,342,103
Rescission (70 Stat. 463)	−3,000,000		
Transferred to—			
"Military construction, Navy" (70 Stat. 681)	−35,000,000		
"Military personnel, Navy" (71 Stat. 316)		−20,000,000	
"Loran stations" (1959 appropriation act)			−20,000,000
Net change in capitalized inventory	−70,940,561	94,229,000	−23,859,000
End of year	400,113,103	474,342,103	430,483,103
Deficit (−)	−12,254,514	−20,475,799	−33,529,799
Total Government investment	387,858,589	453,866,304	396,953,304

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$80,261,951	$57,529,879	$53,529,879	$50,529,879
Obligated balance, net:				
Deferred income	198,631	120,889		
Accounts payable	8,136,124	8,413,990	7,039,990	7,039,990
Other obligations (unpaid undelivered orders and unperformed contracts)	18,262,109	21,399,071	22,773,071	22,673,071
Accounts receivable, net (−)	−121,171	−725,195	−804,306	−804,306
Unfilled customer orders (−)	−8,400,000	−5,000,000	−5,000,000	−5,000,000
Total obligated balance	18,075,693	24,208,755	24,008,755	23,908,755
Unobligated balance	62,186,258	33,321,124	29,521,124	26,621,124

Object Classification

	1957 actual	1958 estimate	1959 estimate
03 Transportation of things	$299,047	$290,000	$327,000
07 Other contractual services	189,687	518,000	534,000
08 Supplies and materials	57,650,087	92,192,000	89,539,000
Total obligations	58,138,821	93,000,000	90,400,000

Naval Working Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Other Government agencies	$3,559,726	$3,500,000	$4,000,000
2. Special deposits	23,926,168	19,000,000	21,000,000
3. Foreign governments	550,226	535,000	535,000
Total obligations	28,036,120	23,035,000	25,535,000
Financing:			
Unobligated balance brought forward	7,029,008	6,318,467	6,318,467
Advances and reimbursements from—			
Other accounts	2,907,937	3,000,000	3,000,000
Non-Federal sources (31 U. S. C. 643)	24,417,642	20,035,000	20,035,000
Unobligated balance carried forward	−6,318,467	−6,318,467	−3,818,467
Total financing	28,036,120	23,035,000	25,535,000

This fund was established to account for advances received by the Navy for the cost of work or services to be furnished other Government agencies, foreign governments, and private parties (31 U. S. C. 643). Obligations against special deposits relate primarily to: (*a*) Utilities, repair, and maintenance furnished to morale, welfare, and recreation activities; (*b*) utilities furnished to tenants of Navy housing projects; and (*c*) utilities, sale of material, equipment rental, and other services for contractors and other private parties, primarily in overseas locations. The private individuals and organizations involved advance amounts to cover the estimated costs to this fund, which amounts are used to pay the costs involved. Work performed for foreign governments consists primarily of ship repairs. From the advances made, this fund finances the Navy activity performing the work.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	855	765	742
Average number of all employees	778	734	713
Number of employees at end of year	751	721	705
Average GS grade and salary	4.7 $4,084	4.7 $4,108	4.7 $4,129
Average salary of ungraded positions	$4,320	$4,344	$4,368
01 Personal services:			
Permanent positions	$3,224,340	$3,042,000	$2,955,000
Other personal services	348,627	273,000	264,000
Total personal services	3,572,967	3,315,000	3,219,000
05 Rents and utility services	5,651,200	4,514,000	5,115,000
07 Other contractual services	4,775,061	3,815,000	4,323,000
08 Supplies and materials	14,022,004	11,202,000	12,694,000
11 Grants, subsidies, and contributions		187,500	182,500
15 Taxes and assessments	1,612	1,500	1,500
Total, Department of the Navy	28,022,844	23,035,000	25,535,000
ALLOCATION TO DEPARTMENT OF THE ARMY			
07 Other contractual services	13,276		
Total obligations	28,036,120	23,035,000	25,535,000

Navy Industrial Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Cost of goods and services produced:			
Navy printing plants	$11,013,006	$10,601,772	$10,332,628
Naval research activities	65,775,577	80,921,800	56,760,000
Marine clothing and equipment factory	4,440,621	5,104,813	5,066,864
Naval ordnance plants	118,032,652	128,439,007	127,333,041
Naval shipyards	768,957,170	761,204,000	753,951,000
Military Sea Transportation Service	477,211,236	432,145,249	396,057,767
Naval base service activities		14,135,200	14,498,700
Total cost of goods and services produced	1,445,430,262	1,432,551,841	1,364,000,000
Relation of costs to obligations:			
Costs financed from obligations of other years net (−)	−53,146,738		−9,000,000
Obligations incurred for costs of other years, net		35,448,159	
Total program (obligations)	1,392,283,524	1,468,000,000	1,355,000,000
Financing:			
Amounts becoming available: Customer orders received:			
Navy printing plants	11,017,403	10,604,772	10,340,628
Naval research activities	69,944,570	63,423,242	46,795,000
Marine clothing and equipment factory	4,714,597	5,140,488	5,046,946
Naval ordnance plants	137,442,662	111,088,049	115,704,477
Naval shipyards	822,213,219	683,813,000	721,556,482
Military Sea Transportation Service	475,208,371	431,645,249	396,057,767
Naval base service activities		14,285,200	14,498,700
Total amounts becoming available	1,520,540,822	1,320,000,000	1,310,000,000
Unobligated balance brought forward	774,429,826	850,687,124	632,687,124
Total amounts available	2,294,970,648	2,170,687,124	1,942,687,124
Rescission (70 Stat. 463)	−52,000,000		
Transferred to "Military personnel, Navy" (71 Stat. 316)		−70,000,000	
Unobligated balance carried forward	−850,687,124	−632,687,124	−587,687,124
Financing applied to program	1,392,283,524	1,468,000,000	1,355,000,000

This fund finances industrial- and commercial-type activities on a reimbursable basis (5 U. S. C. 172d).

Budget program—Navy printing plants.—The estimates cover 27 plants, including 6 overseas. Prices have been held constant since July 1, 1955, except at 1 plant, where a slight increase has been made. The slight decline in costs represents a drop in workload.

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DEPARTMENT OF THE NAVY—Continued

Intragovernmental funds—Continued

NAVY INDUSTRIAL FUND—Continued

Naval research activities.—These include the Naval Research Laboratory, the David Taylor Model Basin, and an ordnance laboratory. The Model Basin was financed through this fund beginning in 1958, accounting for about $12 million of the cost increase in that year. Costs are expected to decrease about $24 million in 1959, representing a reduction in work performed under contracts monitored by the Naval Research Laboratory. Work performed at these installations, as distinct from work performed by contract, is expected to remain at a constant level through 1958 and 1959.

Marine clothing and equipment factory.—This factory serves as a pilot production plant to test design, specifications, and production methods prior to commercial procurement, and also manufactures clothing and textile items needed on short notice, in small lots, or under other conditions making commercial procurement impracticable. Unit costs are generally about 5% greater in 1958 than in 1957; they are expected to remain stable in 1959. Unit cost increases in 1958 are due to civil-service retirement contributions and a 1957 wage increase being in effect on a full-year basis. These factors, plus a slight increase in workload, account for the overall cost increase of $664,000 in 1958.

Naval ordnance plants.—The 7 plants reflected in the estimates include 1 which began industrial-fund financing during 1957 Placing this plant on a full-year basis in 1958 accounts for the cost increase reflected in that year. Costs are expected to continue at about the same level in 1959. About 75% of the costs of these plants relate to manufacturing and assembly; overhaul and repair constitutes about 6%, research and development about 4%, and miscellaneous activities the remaining 15%. Items involved are guns and mounts, torpedoes, powder, fuses, and other items of ordnance and ammunition.

Naval shipyards.—These include 11 shipyards and a ship repair facility. Costs decline by $8 million from 1957 to 1958, the net of a $32 million increase for civil service retirement and a $40 million reduction due to declining workload. Workload and costs are expected to decline by an additional $7 million, or 1%, in 1959. About 48% of shipwork costs relate to overhaul and repair of ships, and 40% to construction and conversion. About 95% of this shipwork is performed for United States fleet vessels, and the rest for allied fleets. Each item of shipwork tends to be unique, so comparable unit cost data are not available.

Military Sea Transportation Service.—This organization provides ocean transportation of passengers, petroleum, and dry cargo for the Department of Defense. The agency arranges and pays for commercial ships, and operates and pays costs on Government-owned ships employed. Customers are billed for work performed on the basis of published tariff schedules, with a few exceptions where they are billed for the use of specific ships on the basis of costs applied. Costs are decreasing in 1958 and 1959 because of reductions in workload and in the number of ships operated.

Naval base service activities.—These two activities operate motor pools, furnishing transportation and vehicle maintenance and repair service to adjacent commands. In addition, one of the activities operates and maintains utility services, performs maintenance services on structures, roads, and grounds, and performs other custodial functions. Costs increase slightly from 1958 to 1959, primarily because one of the activities was financed through the fund for only 11 months in 1958.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments, as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Materials and supplies	$75,106,449	$88,507,104	$88,588,291	$85,871,324
Advances	3,324,176	11,922,123	923,851	765,001
Provision for subsequent maintenance, claims, etc. (−)	−18,249,563	−26,857,673	−19,302,000	−18,127,000
Unpaid undelivered orders	177,366,558	107,349,987	146,246,613	138,947,430
Total selected resources at end of year	237,547,620	180,921,541	216,456,755	207,456,755
Selected resources at start of year (−)	−237,547,620	−180,921,541	−216,456,755	−216,456,755
Increase or decrease (−) in selected resources		−56,626,079	35,535,214	−9,000,000
Materials and supplies capitalized (−)		−1,042,380	−1,533,575	
Inventory adjustment charged or credited (−) to prior year revenue		−10,103	1,445	
Liabilities assumed: Accrued leave		653,875	1,445,075	
Adjustment of prior year payables		3,877,949		
Costs financed from obligations of other years, net (−)		−53,146,738		−9,000,000
Obligations incurred for costs of other years, net			35,448,159	

During 1957, costs exceeded obligations by $53.1 million, largely attributable to the net of a $70 million reduction in unpaid undelivered orders and an increase of $13 million in materials and supplies. The increase in inventories occurred in shipyards. About $60 million of the decrease in unpaid undelivered orders occurred in the Military Sea Transportation Service; a normal balance is expected at the end of 1958, which is the main reason why unpaid undelivered orders increase by $39 million, causing obligations to exceed costs in that year. The reduction of $7 million in unpaid undelivered orders at the end of 1959 is expected to result from a generally lower volume of activity. Changes in the balances of advances and provision for subsequent maintenance relate largely to operations of the Military Sea Transportation Service. These changes tend largely to cancel each other with respect to the relationship between costs and obligations.

Additional activities being considered for industrial-fund financing.—Thirty-one additional installations are being considered for industrial-fund financing, including 9 aircraft and engine overhaul facilities, 8 base service activities, 4 specialized ordnance depots, 4 ammunition depots, 3 ship repair facilities, 2 installations which overhaul vehicles and other ordnance equipment, and an installation engaged in development, test, and manufacture of aeronautical equipment. Industrial-fund financing will be extended to these installations when (1) analysis of the specific installation indicates that definite economies can be derived thereby and (2) a program is developed for the installation that will assure the application of management and cost controls so as to achieve these economies.

Financing the budget program.—This program is financed by orders received from customer appropriations, which authorize industrial-fund installations to incur costs in performing the work or services required. Orders received decrease by $200 million in 1958; $138 million of this reduction relates to shipyards, largely because an order for a large aircraft carrier was placed with a naval shipyard in 1957 Declining workload in the Military Sea Transportation Service results in a $44 million decrease in orders received in 1958. The decrease of $26 million in ordnance plants results from declining workload and reduction in the unbilled balance of orders on hand. In

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1959, orders received are expected to decrease by $10 million, primarily resulting from (*a*) an increase of $38 million in shipyards, largely in shipbuilding and conversion; (*b*) a decrease of $36 million in the Military Sea Transportation Service as a result of decreasing workload; and (*c*) a decrease of $17 million in research activities.

Orders placed with industrial-fund installations constitute obligations of the ordering accounts. The Government is obligated only when these installations place orders with the public for goods and services. During 1957, industrial-fund customers recorded obligations of $1,520 million for orders placed with industrial-fund installations, and these installations incurred obligations of $1,392 million. These installations, therefore, produced a net negative effect of $128 million upon Government obligations in total. In 1958 and 1959, obligations incurred by the installations will exceed orders received in those years, and the net obligation effect is estimated at a positive $148 million and $45 million, respectively.

Industrial-fund costs are limited to amounts stated in valid orders issued from appropriations, except for minor operating gains and losses which may occur. In order to avoid, so far as possible, any augmentation or overcharging of customer appropriations, activities financed through this fund develop budgets and establish bases for charging each year upon the basis of no profit or loss. Financial policies are being strengthened to assure that only costs necessary to the performance of work specifically requested are charged to the customer funds involved. Beginning in 1958, the Military Sea Transportation Service will charge through the tariff only the costs of ships needed for the performance of current lift. Costs of any other ships maintained will be charged to the specific agency for which such ships are maintained. Systems are being developed to determine the cost of maintaining idle and underutilized facilities at shipyards and ordnance plants. Procedures for assuring that funds are available in appropriations prior to the incurring of costs by industrial-fund installations are being strengthened.

Operating results and financial condition.—The following table indicates 1957 revenue and expense by activity:

	Revenue	*Expense*	*Gain or loss (−)*
Navy printing plants	$11,081,457	$11,049,340	$32,117
Naval research activities	63,157,501	63,285,539	−128,038
Marine clothing and equipment factory	4,443,288	4,431,461	11,827
Naval ordnance plants	117,249,589	117,267,325	−17,736
Naval shipyards	770,141,261	771,401,817	−1,260,556
Military Sea Transportation Service	471,601,578	477,211,236	−5,609,658
Total	1,437,674,674	1,444,646,718	−6,972,044

A break-even operation is contemplated in 1958 and 1959. Inventories are expected to decline slightly from 1958 to 1959, in line with declining levels of activity. A rescission of $52 million was effected in 1957, and in 1958 $70 million was transferred to "Military personnel, Navy." Of the estimated $314.7 million in Government investment on June 30, 1959, $269.7 million is necessary to provide working capital for activities now financed through the fund, estimates for which are reflected in the statements and schedules. The remaining $45 million is necessary to provide working capital for additional activities to be financed through this fund hereafter.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchases of materials and supplies	$282,496,258	$266,850,095	$259,549,826
Costs, less materials and supplies used	1,175,282,176	1,164,250,803	1,101,733,207
Liabilities assumed: Accrued leave	653,875	1,445,075	
Increase in prior year payables	3,877,949		
Increase in selected working capital	1,059,417		716,967
Total gross expenditures	1,463,369,675	1,432,545,973	1,362,000,000
Receipts from operations (funds provided):			
Revenue	$1,437,674,674	$1,433,424,846	$1,370,000,000
Sales against withdrawal credits (−)	−3,527,363	−424,846	
Decrease in selected working capital		1,545,973	
Increase in prior year receivables	80,766		
Total receipts from operations	1,434,228,077	1,434,545,973	1,370,000,000
Budget expenditures	29,141,598	−2,000,000	−8,000,000

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Revenue	$1,437,674,674	$1,433,424,846	$1,370,000,000
Sales against withdrawal credits (−)	−3,527,363	−424,846	
Decrease in selected working capital		1,545,973	
Increase in prior year receivables	80,766		
Total receipts from operations	1,434,228,077	1,434,545,973	1,370,000,000
Budget expenditures	29,141,598	−2,000,000	−8,000,000

Revenue, Expense, and Retained Earnings

Revenue:			
Manufacturing and assembly	$117,691,712	$133,333,453	$132,117,592
Overhaul and repair	375,126,210	362,962,697	361,115,149
Construction and conversion of ships	304,918,226	309,998,000	307,755,000
Research and development	75,618,797	94,030,555	72,203,802
Transportation	452,901,713	422,967,349	389,836,319
Printing	10,981,504	10,531,772	10,249,628
Supply services	33,874,880	34,510,041	34,270,286
Capital additions and improvements	2,527,270	2,638,877	2,628,652
Support of reserve industrial capacity	857,076	4,997,810	6,214,810
Other revenue	63,177,286	57,454,292	53,608,762
Total revenue	1,437,674,674	1,433,424,846	1,370,000,000
Expense:			
Direct costs incurred:			
Labor	443,341,932	453,142,798	450,776,894
Material used	194,712,946	186,241,606	182,960,249
Contractual services	370,329,540	334,052,076	277,506,495
Other direct costs	87,397,467	85,683,802	82,644,398
Total direct costs	1,095,781,885	1,059,120,282	993,888,036
Indirect costs incurred:			
Manufacturing expense	193,322,582	207,769,910	205,580,190
General and administrative expense	169,741,868	179,715,400	178,521,349
Goods manufactured for inventory (−)	−13,416,073	−14,053,751	−13,989,575
Cost of goods and services produced	1,445,430,262	1,432,551,841	1,364,000,000
Increase (−) or decrease in unbilled costs	−783,544	873,005	6,000,000
Cost of goods and services sold	1,444,646,718	1,433,424,846	1,370,000,000
Net loss (−) for the year	−6,972,044		
Analysis of retained earnings:			
Retained earnings, beginning of year	35,806,093	25,046,969	25,045,524
Adjustment of prior year receivables	80,766		
Adjustment of prior year payables	−3,877,949		
Inventory adjustments charged (−) or credited to prior year income	10,103	−1,445	
Retained earnings, end of year	25,046,969	25,045,524	25,045,524

Financial Condition

Assets:			
Cash with Treasury	$215,661,458	$147,661,458	$155,661,458
Accounts receivable	116,489,727	106,678,793	100,674,410
Billings for unterminated voyages (−)	−10,143,515	−9,643,515	−9,643,515
Accounts receivable for income earned	106,346,212	97,035,278	91,030,895
Inventories:			
Work in process	151,703,031	142,922,144	134,833,847
Less progress billings	15,274,200	7,366,318	5,278,021
Net unbilled costs	136,428,831	135,555,826	129,555,826
Materials and supplies	88,507,104	88,588,291	85,871,324
Net inventories	224,935,935	224,144,117	215,427,150
Advances	11,922,123	923,851	765,001
Total assets	558,865,728	469,764,704	462,884,504
Liabilities:			
Current	147,017,450	135,809,890	130,104,690
Withdrawal credits	424,846		
Provision for subsequent maintenance, claims, etc.	26,857,673	19,302,000	18,127,000
Total liabilities	174,299,969	155,111,890	148,231,690
Government investment:			
Reappropriations:			
Start of year	440,090,000	388,090,000	318,090,000
Rescissions and transfer (−)	−52,000,000	−70,000,000	
End of year	388,090,000	318,090,000	318,090,000
Assets capitalized, less liabilities assumed:			
Start of year	−28,872,658	−28,571,210	−28,482,710
Assets capitalized	1,042,380	1,533,575	
Liabilities assumed (−)	−740,932	−1,445,075	
End of year	−28,571,210	−28,482,710	−28,482,710
Retained earnings	25,046,969	25,045,524	25,045,524
Total Government investment	384,565,759	314,652,814	314,652,814

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DEPARTMENT OF THE NAVY—Continued

Intragovernmental funds—Continued

NAVY INDUSTRIAL FUND—Continued

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$296,803,056	$215,661,458	$147,661,458	$155,661,458
Obligated balance, net: Current liabilities	133,729,442	147,017,450	135,809,890	130,104,690
Obligations other than liabilities (unpaid undelivered orders)	177,366,558	107,349,987	146,246,613	138,947,430
Accounts receivable (−)	−98,525,346	−116,489,727	−106,678,793	−100,674,410
Unbilled balance of customer orders (−)	−690,197,424	−772,903,376	−660,403,376	−600,403,376
Total obligated balance	−477,626,770	−635,025,666	−485,025,666	−432,025,666
Unobligated balance	774,429,826	850,687,124	632,687,124	587,687,124

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	144,777	142,386	137,600
Full-time equivalent of all other positions	275	205	193
Average number of all employees	140,019	136,580	135,462
Number of employees at end of year	139,122	135,826	135,819
Average GS grade and salary	6.1 $4,912	6.1 $4,977	6.2 $5,001
Average salary of ungraded positions	$4,920	$5,064	$5,071
01 Personal services:			
Permanent positions	$683,797,047	$688,136,424	$682,612,204
Positions other than permanent	1,639,405	1,122,457	1,112,200
Other personal services	54,792,532	36,511,991	34,469,295
Excess of annual leave taken (−) over leave earned	−524,078	−2,846,971	−10,246
Total personal services	739,704,906	722,923,901	718,183,453
02 Travel	3,211,295	3,268,920	3,160,946
03 Transportation of things	2,171,049	2,324,671	2,310,962
04 Communication services	1,703,325	1,725,131	1,697,910
05 Rents and utility services	11,186,774	12,479,488	12,329,983
06 Printing and reproduction	1,787,516	1,681,661	1,663,040
07 Other contractual services	399,993,775	375,590,171	310,514,774
08 Supplies and materials	282,496,258	266,850,095	259,549,826
09 Equipment	7,861,863	6,705,127	6,609,659
11 Grants, subsidies, and contributions	2,017,419	45,016,995	44,924,005
12 Pensions, annuities, and insurance claims	383,028	363,110	363,000
13 Refunds, awards, and indemnities	827,806	826,456	810,837
15 Taxes and assessments	357,134	345,920	339,638
Total accrued expenditures	1,453,702,148	1,440,101,646	1,362,458,033
Increase or decrease (−) in undelivered orders and advances	−61,418,624	27,898,354	−7,458,033
Total obligations	1,392,283,524	1,468,000,000	1,355,000,000

NAVY MANAGEMENT FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Electronics production resources agency	$204,972	$224,000	$227,000
2. Interdepartmental activities	538,618	618,000	546,000
3. Navy industrial exhibits		232,000	300,000
4. Inspection of naval material	27,721,482	30,437,000	30,790,000
5. Departmental administrative services	6,740,247	2,211,000	2,211,000
6. Incentive awards	1,629,132	2,000,000	2,000,000
7. Transportation of things	173,369,987	162,000,000	189,471,000
8. Spanish base construction	53,652,312	40,000,000	9,000,000
Total obligations	263,856,750	237,722,000	234,545,000
Financing:			
Unobligated balance brought forward	61,794,932	52,896,398	12,896,398
Advances and reimbursements from other accounts	255,109,589	197,722,000	225,545,000
Unobligated balance carried forward	−52,896,398	−12,896,398	−3,896,398
Unobligated balance no longer available	−151,373		
Total financing	263,856,750	237,722,000	234,545,000

This fund was created to facilitate the financing of operations supported by two or more appropriations (5 U. S. C. 172e). The corpus of the fund consists of $1 million transferred from the naval procurement fund. Principal operations financed in this manner are construction of the Army, Navy, and Air Force bases and stations in Spain; the material inspection service; departmental telephone and maintenance services; transportation of the supplies, goods and materials of the Navy; the Electronics Production Resources Agency which coordinates the production and allocation of electronics equipment for the Department of Defense; certain interdepartmental activities discharging obligations placed on the Department of Defense by executive direction and such other obligations jointly affecting more than one component of the Department; and the Navy industrial exhibits program. The purpose of the industrial exhibits program is to facilitate, through the medium of exhibits, displays and other appropriate visual means, the U. S. Navy's programs in the following areas: Internal training and indoctrination; recruitment and personnel procurement; property and material acquisition and disposal; incentives to industry; and dissemination of technical, scientific, research and development, procurement and production information.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY			
Total number of permanent positions	5,817	5,696	5,672
Full-time equivalent of all other positions	3	1	1
Average number of all employees	5,506	5,584	5,578
Number of employees at end of year	5,522	5,603	5,603
Average GS grade and salary	6.2 $4,794	6.2 $4,818	6.2 $4,829
Average salary of ungraded positions	$4,896	$4,920	$4,944
01 Personal services:			
Permanent positions	$26,330,371	$26,794,385	$26,808,294
Positions other than permanent	41,610	13,000	13,000
Other personal services	732,483	798,212	797,521
Total personal services	27,104,464	27,605,597	27,618,815
02 Travel	1,280,518	1,432,700	1,455,460
03 Transportation of things	174,398,919	163,028,850	190,399,200
04 Communication services	6,871,076	2,348,650	2,385,000
05 Rents and utility services	66,629	86,700	91,000
06 Printing and reproduction	272,818	196,600	163,000
07 Other contractual services	3,864,229	3,943,800	2,273,400
Services performed by other agencies	210,000	222,000	202,900
08 Supplies and materials	777,353	1,004,900	901,550
09 Equipment	1,352,406	1,241,000	922,500
10 Lands and structures	45,979,980	32,793,302	4,291,244
11 Grants, subsidies, and contributions	9,946	1,772,801	1,796,331
13 Refunds, awards, and indemnities	1,629,132	2,025,000	2,025,000
15 Taxes and assessments	21,625	20,100	19,600
Total, Department of the Navy	263,839,095	237,722,000	234,545,000
ALLOCATION TO DEPARTMENT OF THE ARMY			
07 Other contractual services	17,655		
Total obligations	263,856,750	237,722,000	34,545,000

NAVY STOCK FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Special shipboard electrical fittings and fixtures	$6,979,751	$6,300,000	
Special clothing and textiles	8,361,353	11,000,000	$9,660,000
Photographic material	4,455,570	4,500,000	4,300,000
General stores	172,427,434	170,000,000	174,400,000
Ships repair parts	44,842,837	25,000,000	35,000,000
Forms and publications	6,449,346	5,000,000	4,700,000
Navy medical and dental material	11,076,838	10,400,000	11,800,000
Provisions	215,921,948	195,000,000	195,000,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Electronics	$43,649,303	$43,800,000	$45,000,000
Submarine repair parts	6,994,712	5,000,000	7,900,000
Ships' store and commissary store stock	147,375,613	145,000,000	140,000,000
Resale clothing and accessories	42,673,499	50,000,000	44,340,000
Fuels and related items	373,394,720	321,000,000	352,000,000
Base equipment repair parts	11,098,302	8,500,000	8,700,000
Other	4,240,335	5,000,000	5,000,000
Single-manager medical and dental material	29,795,968	46,500,000	50,200,000
Gross program	1,129,737,529	1,052,000,000	1,088,000,000
Less intrafund transactions	6,506,090	9,725,000	11,380,000
Total program (obligations)	1,123,231,439	1,042,275,000	1,076,620,000
Financing:			
Sales of goods:			
Special shipboard electrical fittings and fixtures	9,774,167	7,700,000	
Special clothing and textiles	15,449,442	18,000,000	10,690,000
Photographic material	3,799,795	4,500,000	4,500,000
General stores	201,507,973	192,000,000	187,200,000
Ships repair parts	51,438,409	45,000,000	48,000,000
Forms and publications	4,525,528	6,000,000	5,800,000
Navy medical and dental material	13,310,474	10,300,000	10,000,000
Provisions	204,240,602	200,000,000	195,000,000
Electronics	43,131,131	43,000,000	45,000,000
Submarine repair parts	6,046,787	6,500,000	5,900,000
Ships' store and commissary store stock	149,243,538	150,000,000	146,000,000
Resale clothing and accessories	43,299,646	51,000,000	46,310,000
Fuels and related items	373,741,016	361,000,000	352,000,000
Base equipment repair parts	12,104,378	10,000,000	9,700,000
Other	7,665,501	15,000,000	15,000,000
Single-manager medical and dental material	17,398,609	57,000,000	63,900,000
Total sales	1,156,676,996	1,177,000,000	1,145,000,000
Less—			
Intrafund sales	6,506,090	9,725,000	11,380,000
Withdrawal credit sales	5,300,000		
Net reimbursable sales	1,144,870,906	1,167,275,000	1,133,620,000
Anticipated reimbursements for deliveries of materiel common to United States requirements ordered by military assistance in current year	8,631,137	24,710,000	
Total amounts becoming available	1,153,502,043	1,191,985,000	1,133,620,000
Unobligated balance brought forward	373,292,973	95,941,475	130,967,651
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Navy accounts	4,723,080	51,176	
Total amounts available	1,531,518,096	1,287,977,651	1,264,587,651
Rescission (70 Stat. 463)	−100,000,000		
Transferred to—			
"Military construction, Navy" (70 Stat. 681)	−200,000,000		
"Military personnel, Navy" (71 Stat. 316, 1959 appropriation act)		−100,000,000	−100,000,000
Deliveries of materiel common to United States requirements ordered by military assistance	−12,345,182	−14,735,000	−11,250,000
Unobligated balance carried forward	−95,941,475	−130,967,651	−76,717,651
Financing applied to program	1,123,231,439	1,042,275,000	1,076,620,000

This fund, initially established in 1893, finances the procurement and maintenance of inventories of common-use material and supplies for resale and mobilization reserve. It includes items in all levels of shore-based inventories and in inventories of fleet issue ships afloat.

In 1957 inventories capitalized under the fund increased almost $1 billion. This was the net result of bringing in new stocks of ships and submarine repair parts; electronics, photographic, and single-manager medical material, and forms and publications; and transferring to the Army stock fund depot-level stocks of clothing and textiles.

Selected stocks of ordnance repair parts are being considered for stock-fund financing as well as the extension of the stock-fund distribution system afloat to include inventories on tenders and repair ships. These considerations are not reflected in the statements contained herein.

The estimates contemplate changes in inventory capitalized under each category of the fund as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Special shipboard electrical fittings and fixtures	$2,200,914		−$27,100,000
Special clothing and textiles	−128,175,524	−$25,880,000	
Photographic material	11,994,621	500,000	500,000
General stores	23,810,928	2,000,000	2,000,000
Ships repair parts	599,903,975	6,000,000	30,200,000
Forms and publications	11,146,385	800,000	
Navy medical and dental material	−120,752,384	−2,490,000	
Provisions	−7,706,863		
Electronics	207,500,179	3,800,000	3,000,000
Submarine repair parts	47,293,525	1,250,000	500,000
Ships' store and commissary store stock	88,580		
Resale clothing and accessories	−68,254,887	−23,020,000	−7,000,000
Fuels and related items	607,073		
Base equipment repair parts	9,219,611	500,000	500,000
Other	17,463,217		
Single manager medical and dental material	327,406,956	9,150,000	400,000
Total inventories capitalized during year (net of decapitalization)	933,746,306	−27,390,000	3,000,000
Withdrawal credits established (−) (net)	−1,937,271		
Net change in capitalized inventories	931,809,035	−27,390,000	3,000,000

Budget program.—The budget program shows a net decrease in obligations for all categories of $46.6 million from 1957 to 1959. This decrease in obligations reflects the general reductions in strength and operations in the Navy.

The decreases in the fuel and provisions categories of approximately $20 million each make up a little over half of the total decreases. The only significant increase over the 1957 program is in the single-manager medical category. Since this category was established on January 1, 1957, the 1957 column reflects only a 6-month program. On a comparable basis this category also shows a program reduction in 1959.

Estimates for 1959 show only $29.6 million of sales from long-supply stocks that will not require replacement. This substantial reduction from the $76.9 million sold from long-supply stocks in 1957 and the $88.5 million estimate of sales from such stocks in 1958, reflects the reduced availability of usable long-supply inventories remaining under the fund. Even though total inventories under the fund decrease $685.2 million or almost one-third in 1958 and 1959, only 16% of the reduction is accomplished through sales at standard prices. The balance is brought about largely from the disposal of excess and surplus material.

The budget program provides for year-end inventories as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Special shipboard electrical fittings and fixtures:			
Operating stocks	$22,616,135	$16,000,000	
Mobilization reserve stocks	12,133,459	11,100,000	
Special clothing and textiles:			
Operating stocks	17,160,352	5,840,000	$5,820,000
Mobilization reserve stocks	25,523,000	5,200,000	5,200,000
Photographic material:			
Operating stocks	6,269,027	5,170,000	4,750,000
Mobilization reserve stocks	2,408,939	2,410,000	2,410,000
General stores:			
Operating stocks	404,147,404	347,050,000	200,940,000
Mobilization reserve stocks	102,364,000	94,960,000	94,960,000
Ships repair parts:			
Operating stocks	405,806,430	325,120,000	181,770,000
Mobilization reserve stocks	139,616,000	131,800,000	142,900,000
Forms and publications:			
Operating stocks	8,969,643	8,620,000	6,630,000
Mobilization reserve stocks	440,000	440,000	440,000
Navy medical and dental material:			
Operating stocks	5,759,955	6,040,000	7,710,000
Provisions:			
Operating stocks	39,958,938	35,100,000	29,290,000
Mobilization reserve stocks	11,020,000	11,020,000	11,020,000
Electronics:			
Operating stocks	236,548,023	180,920,000	113,630,000
Mobilization reserve stocks	49,880,000	48,810,000	48,810,000
Submarine repair parts:			
Operating stocks	22,661,458	16,680,000	17,670,000
Mobilization reserve stocks	13,780,000	13,940,000	13,940,000
Ships' store and commissary store stock:			
Operating stocks	27,326,157	27,630,000	25,060,000

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DEPARTMENT OF THE NAVY—Continued

Intragovernmental funds—Continued

NAVY STOCK FUND—Continued

	1957 actual	*1958 estimate*	*1959 estimate*
Resale clothing and accessories:			
Operating stocks	$29,990,000	$17,310,000	$18,250,000
Mobilization reserve stocks	7,752,912	1,470,000	1,470,000
Fuels and related items:			
Operating stocks	55,169,310	15,150,000	23,740,000
Mobilization reserve stocks	123,520,934	125,380,000	125,380,000
Base equipment repair parts:			
Operating stocks	25,307,487	16,110,000	12,390,000
Mobilization reserve stocks	6,417,591	5,680,000	5,680,000
Other:			
Operating stocks	1,003,366	1,300,000	1,300,000
Excess or surplus stocks awaiting disposal	118,591,478	117,610,000	173,990,000
Single-manager medical and dental material:			
Operating stocks	134,787,587	87,900,000	63,770,000
Mobilization reserve stocks	168,563,396	199,020,000	199,020,000
Excess or surplus stocks awaiting disposal	18,050,000	8,930,000	2,370,000
Summary:			
Operating stocks	1,425,431,272	1,111,940,000	712,720,000
Mobilization reserve stocks	663,420,231	651,230,000	651,230,000
Excess or surplus stocks awaiting disposal	136,641,478	126,540,000	176,360,000
Total (finished material in store)	2,225,492,981	1,889,710,000	1,540,310,000
Material in transit from procurement	37,408,071	37,408,071	37,408,071
Material in transit between supply officers	71,078,830	71,078,830	71,078,830
Manufacturing work in process	362,403	362,403	362,403
Total inventories	2,334,342,285	1,998,559,304	1,649,159,304

Financing operations.—Funds for financing the budget program are derived from sales of material to authorized customers. Net reimbursable sales in 1959 are $11.3 million less than in 1957, again reflecting the general reduction in naval operations. In 1959 cash receipts are expected to continue to exceed disbursements. In 1957 and 1958, excess cash was withdrawn or transferred from the fund in amounts of $300 million and $100 million, respectively. An additional $100 million is recommended for transfer in 1959.

Operating results.—The statements show substantial net losses of $207.9 million in 1958 and $310.4 million in 1959 compared with a slight gain of $6.5 million in 1957. These losses are brought about largely by the disposal of excess and surplus inventories at about 5% of standard prices. Losses of this magnitude can be expected to continue for at least 1 more year since $176.4 million of excess or surplus inventory will be awaiting disposal at the end of 1959.

Net inventory losses of $14.3 million and $15.5 million are forecast for 1958 and 1959, respectively, compared to the $3.9 million loss experienced in 1957. This loss represents the net from discrepancies in shipments, pilferage, losses in storage, differences disclosed by physical inventories, and accounting adjustments. The increases in 1957 and 1958 result largely from the exclusion of accounting adjustments which offset most of the losses in 1957.

Financial condition.—It is estimated that the Government investment in the fund as of June 30, 1959, will be $1,854.7 million, consisting of $506.6 million of appropriations and reappropriations, $1,841 million of net capitalized inventory, and $492.9 million deficit.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale, net	$1,014,751,319	$1,012,845,000	$1,032,370,000
Transportation	40,513,428	36,950,000	42,600,000
Repair of unserviceable inventory	1,886,507	3,980,000	3,670,000
Other operating expense		4,900,000	4,880,000
Increase (−) or decrease in accounts payable	−52,851,700	500,000	
Profits from sale of ships' stores for transfer to "Ships' stores profits"	8,782,449	8,100,000	8,100,000
Total gross expenditures	1,013,082,003	1,067,275,000	1,091,620,000

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Reimbursable sales	$1,144,870,906	$1,167,275,000	$1,133,620,000
Increase in accounts receivable	−5,698,043		−2,000,000
Total receipts from operations	1,139,172,863	1,167,275,000	1,131,620,000
Budget expenditures	−126,090,860	−100,000,000	−40,000,000

Revenue, Expense, and Retained Earnings

Revenue: Net sales	$1,150,170,906	$1,167,275,000	$1,133,620,000
Expense:			
Cost of goods purchased, net	1,014,751,319	1,012,845,000	1,032,370,000
Transportation	40,513,428	36,950,000	42,600,000
Repair of unserviceable inventory	1,886,507	3,980,000	3,670,000
Profits from sale of ships' stores for transfer to "Ships' stores profits"	8,782,449	8,100,000	8,100,000
Other operating expense		4,900,000	4,880,000
Inventory decrease from operations	76,920,378	88,490,000	29,630,000
Inventory losses, net	3,901,043	14,272,981	15,460,000
Loss on disposal of inventory at less than standard prices	30,473,345	198,320,000	296,810,000
Total operating expense	1,177,228,469	1,367,857,981	1,433,520,000
Operating loss (−)	−27,057,563	−200,582,981	−299,900,000
Markup of inventory due to revision of standard prices	44,853,699	3,190,000	
Donations (−) for education, public health, or civil defense (40 U. S. C. 484 (j) (1), (2))	−11,251,367	−10,500,000	−10,500,000
Net income or loss (−) for the year	6,544,769	−207,892,981	−310,400,000
Retained earnings or deficit (−), beginning of year	18,824,094	25,368,863	−182,524,118
Retained earnings or deficit (−), end of year	25,368,863	−182,524,118	−492,924,118

Financial Condition

Assets:			
Cash with Treasury	$315,174,862	$315,174,862	$255,174,862
Accounts receivable, gross	47,395,634	47,395,634	49,395,634
Less intrafund receivables	1,845,160	1,845,160	1,845,160
Accounts receivable, net	45,550,474	45,550,474	47,550,474
Inventories	2,334,342,285	1,998,559,304	1,649,159,304
Total assets	2,695,067,621	2,359,284,640	1,951,884,640
Liabilities:			
Current liabilities, gross	99,575,465	99,075,465	99,075,465
Less intrafund liabilities	1,845,160	1,845,160	1,845,160
Current liabilities (net)	97,730,305	97,230,305	97,230,305
Government investment:			
Principal of fund:			
Start of year	1,940,159,418	2,571,968,453	2,444,578,453
Rescission (70 Stat. 463)	−100,000,000		
Transferred to—			
"Military construction, Navy" (70 Stat. 681)	−200,000,000		
"Military personnel, Navy" (71 Stat. 316, 1959 appropriation act)		−100,000,000	−100,000,000
Net change in capitalized inventory	931,809,035	−27,390,000	3,000,000
End of year	2,571,968,453	2,444,578,453	2,347,578,453
Retained earnings or deficit (−)	25,368,863	−182,524,118	−492,924,118
Total Government investment	2,597,337,316	2,262,054,335	1,854,654,335

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$489,084,002	$315,174,862	$315,174,862	$255,174,862
Unfilled military assistance fund reservations	16,117,918	17,126,953	27,153,129	15,903,129
Total unexpended balance	505,201,920	332,301,815	342,327,991	271,077,991
Obligated balance, net:				
Current liabilities, gross	44,878,605	99,575,465	99,075,465	99,075,465
Intrafund liabilities, net (−)		−1,845,160	−1,845,160	−1,845,160
Other obligations, net:				
Unpaid undelivered orders and unperformed contracts	146,882,773	204,180,509	179,680,509	164,680,509

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Status of Certain Fund Balances—Continued

	1956 actual	1957 actual	1958 estimate	1959 estimate
Obligated balance, net—Continued				
Accounts receivable, net (−)	−$39,852,431	−$45,550,474	−$45,550,474	−$47,550,474
Unfilled customers' orders (−)	−20,000,000	−20,000,000	−20,000,000	−20,000,000
Total obligated balance	131,908,947	236,360,340	211,360,340	194,360,340
Unobligated balance	373,292,973	95,941,475	130,967,651	76,717,651

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	253	193	193
Average number of all employees	236	175	175
Number of employees at end of year	181	175	175
Average GS grade and salary	4.7 $4,084	4.7 $4,108	4.7 $4,129
Average salary of ungraded positions	$4,320	$4,344	$4,368
01 Personal services:			
Permanent positions	$919,521	$682,000	$682,000
Other personal services	39,997	14,000	14,000
Total personal services	$959,518	$696,000	$696,000
03 Transportation of things	40,513,428	36,550,000	42,330,000
07 Other contractual services	926,989	3,284,000	2,974,000
08 Supplies and materials	1,072,049,055	993,245,000	1,022,250,000
13 Refunds, awards, and indemnities	8,782,449	8,500,000	8,370,000
Net program (obligations)	1,123,231,439	1,042,275,000	1,076,620,000

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sales of subsistence, clothing, etc.	$47,318,347	$38,616,000	$35,984,000
2. Research and development	32,776,058	21,439,000	20,842,000
3. Military personnel on duty with other agencies	1,649,426	2,348,000	2,348,000
4. Construction	46,919	35,000,000	30,000,000
5. Miscellaneous	4,014,269	5,927,000	4,902,000
Total obligations	85,805,019	103,330,000	94,076,000
Financing:			
Advances and reimbursements from—			
Other accounts	56,839,564	86,249,000	77,521,000
Non-Federal sources (5 U. S. C. 171m-1; 10 U. S. C. 2421, 2481, 2667, 6087, 7601, 7602; 42 U. S. C. 1594c)	28,965,455	17,081,000	16,555,000
Total financing	85,805,019	103,330,000	94,076,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,208	1,298	1,230
Average number of all employees	1,120	1,283	1,222
Number of employees at end of year	1,197	1,241	1,226
Average GS grade and salary	8.5 $5,597	8.4 $5,568	8.5 $5,600
Average salary of ungraded positions	$4,636	$4,708	$4,711
01 Personal services:			
Civilian:			
Permanent positions	$5,465,546	$6,235,039	$5,937,389
Other personal services	114,446	214,591	179,441
Military	1,849,426	2,448,000	2,348,000
Total personal services	7,429,418	8,897,630	8,464,830
02 Travel	261,183	415,667	335,900
03 Transportation of things	4,221	4,000	2,300
04 Communication services	1,737,922	1,828,000	1,798,100
05 Rents and utility services	927,885	978,000	925,200
06 Printing and reproduction	152,044	78,500	69,700
07 Other contractual services	23,938,534	12,750,500	14,140,000
08 Supplies and materials	48,569,818	40,239,303	37,066,870
09 Equipment	2,455,733	3,823,400	2,487,000
10 Lands and structures	9,535	33,512,000	28,006,900
11 Grants, subsidies, and contributions	308,546	793,000	770,900
15 Taxes and assessments	10,180	10,000	8,300
Total obligations	85,805,019	103,330,000	94,076,000

440000—58——32

Proposed for later transmission:

Military Personnel, Navy

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Pay and allowances (total obligations)			$121,000,000
Financing:			
Proposed supplemental appropriation			$121,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

Reserve Personnel, Navy

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Reserve personnel			$3,900,000
2. Reserve officer candidates			100,000
Total obligations			4,000,000
Financing:			
Proposed supplemental appropriation			4,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services, in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

Military Personnel, Marine Corps

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Pay and allowances (total obligations)			$20,000,000
Financing:			
Proposed supplemental appropriation			20,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

Reserve Personnel, Marine Corps

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Reserve personnel			$975,000
2. Reserve officer candidates			25,000
Total obligations			1,000,000
Financing:			
Proposed supplemental appropriation			1,000,000

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DEPARTMENT OF THE NAVY—Continued

Proposed for later transmission—Continued

RESERVE PERSONNEL, MARINE CORPS—Continued

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services, in accordance with the recommendations of the defense advisory committee on professional and technical compensation, to assist in attracting and retaining highly trained personnel.

SHIPBUILDING AND CONVERSION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Fiscal year 1958 program (total obligations)		$180,000,000	$109,000,000
Financing:			
Unobligated balance brought forward			−116,000,000
Unobligated balance carried forward		116,000,000	7,000,000
Proposed supplemental appropriation		296,000,000	

Under existing legislation, 1958.—A supplemental appropriation is anticipated to support acceleration of the fleet ballistic missile program.

PROCUREMENT OF ORDNANCE AND AMMUNITION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Ordnance guided missiles (total obligations)		$31,800,000	
Financing:			
Proposed supplemental appropriation		31,800,000	

Under existing legislation, 1958.—A supplemental appropriation is anticipated to provide funds to support acceleration of the fleet ballistic missile program (Polaris).

RESEARCH AND DEVELOPMENT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Guided missiles and related equipment (total obligations)		$22,200,000	
Financing:			
Proposed supplemental appropriation		22,200,000	

Under existing legislation, 1958.—This supplemental appropriation for 1958 is anticipated for accelerated development of the fleet ballistic missile.

MILITARY CONSTRUCTION, NAVY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public works construction			$190,500,000
2. Minor construction			2,500,000
3. Planning			3,000,000
4. Supporting activities			1,000,000
Total obligations			197,000,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance carried forward			$84,500,000
Proposed supplemental appropriation			281,500,000

Under proposed legislation, 1959.—Legislation will be proposed to provide additional authorization for acquisition and construction of facilities for the Naval Shore Establishment within the United States and overseas. Additional funds are anticipated to finance this proposed legislation.

MILITARY CONSTRUCTION, NAVAL RESERVE FORCES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Aviation facilities			$3,000,000
2. Naval surface facilities			500,000
3. Marine ground facilities			500,000
Total obligations			4,000,000
Financing:			
Unobligated balance carried forward			4,000,000
Proposed supplemental appropriation			8,000,000

Under proposed legislation, 1959.—Legislation will be proposed to provide additional authorization for acquisition and construction of facilities for training centers and stations for fleet, ground, and aviation units of the Naval and Marine Corps Reserve with provisions for joint use with the Reserve forces of the other services.

DEPARTMENT OF THE AIR FORCE

Current authorizations:

AIRCRAFT AND [RELATED] *MISSILE* PROCUREMENT

For construction, procurement, and modification of aircraft, *missiles,* and equipment, *including* armor and armament, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing and other purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; [$5,886,000,000] *$5,888,800,000,* to remain available until expended. (*5 U. S. C. 55a; 10 U. S. C. 2271–79, 2386, 2663, 8012, 8062, 9501–02, 9505, 9531–32, 9741–42; 31 U. S. C. 718; 40 U. S. C. 523; 50 U. S. C. 91–94, 451–62; 70A Stat. 636; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$5,886,000,000** Estimate 1959, **$5,888,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Aircraft	$5,585,587,037	$5,912,258,882	$4,904,800,000
2. Missiles	1,508,802,060	1,486,222,000	1,728,100,000
3. Department of Army spares support	18,853,869		
4. Aircraft ground handling equipment	88,469,887	59,808,000	
5. Missiles squadron and depot equipment	83,089,289	11,460,000	
6. Ground support equipment	3,563,094	848,000	
Total direct obligations	7,288,365,236	7,470,596,882	6,632,900,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Aircraft	$62,136,172	$173,903,118	$38,000,000
Total obligations	7,350,501,408	7,644,500,000	6,670,900,000
Financing:			
Unobligated balance brought forward	−4,594,099,207	−4,556,845,507	−3,376,534,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from (−) other accounts	26,050,149	−16,428,416	
Advances and reimbursements from other accounts	−62,136,172	−73,903,118	−38,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−178,661,685	−237,856,959	
Recovery of prior year obligations	−250,000,000	−250,000,000	−250,000,000
Unobligated balance carried forward	4,556,845,507	3,376,534,000	2,882,434,000
Appropriation (new obligational authority)	6,848,500,000	5,886,000,000	5,888,800,000

This appropriation provides for (*a*) procurement of new aircraft and missiles with spare components, industrial facilities, and equipment; and (*b*) modification of in-service aircraft, missiles, and components. The 1959 program is designed to accelerate the guided and ballistic missile programs and to continue modernization of the Air Force with the most advanced type of aircraft, to be delivered through 1961. The funds requested provide for a procurement program of $6,746 million for 1959, as compared to $6,041.5 million for 1958.

1. *Aircraft.*—New aircraft are procured for the projected aircraft inventory required to support currently planned forces, taking account of estimated aircraft losses, obsolescence of aircraft in the inventory, and development of new models. This activity also provides for modification of inservice aircraft and spare components thereof; and production facilities for expansion to maintain a reasonable production capability.

2. *Missiles.*—Ballistic missiles and other types of guided missiles, both ground and air launched, are procured to augment the combat capabilities of the Air Force in strategic and tactical air operations and air defense. This activity also provides for the support of advanced missile development and the modification of inservice missiles and spare components thereof.

Activities 3 through 6 are no longer budgeted in this account.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
Direct obligations:			
03 Transportation of things	$71,660,040	$69,430,000	$62,246,000
07 Other contractual services	207,352,163	384,667,000	371,510,000
08 Supplies and materials	195,355,989	147,319,000	144,062,000
09 Equipment	6,752,640,935	6,827,965,882	6,022,282,000
10 Lands and structures	61,334,538	41,215,000	32,800,000
Total direct obligations	7,288,343,665	7,470,596,882	6,632,900,000
Reimbursable obligations:			
09 Equipment	62,136,172	173,903,118	38,000,000
Total, Department of the Air Force	7,350,479,837	7,644,500,000	6,670,900,000
ALLOCATION ACCOUNTS			
Number of employees at end of year	0		
Average GS grade and salary	7.6 $5,612		
01 Personal services: Permanent positions	$1,279		
03 Transportation of things	20		
07 Other contractual services	20,070		
08 Supplies and materials	202		
Total, allocation accounts	21,571		
Total obligations	7,350,501,408	7,644,500,000	6,670,900,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Obligations are distributed as follows:			
Department of the Air Force	$7,350,479,837	$7,644,500,000	$6,670,900,000
Department of Commerce, National Bureau of Standards	17,643		
Department of Commerce, Civil Aeronautics Administration	3,380		
Department of the Interior, Bureau of Mines	548		

[Procurement Other Than] Aircraft *and Missile Support*

For procurement and modification of equipment *(including ground handling equipment for aircraft and missiles, ground guidance and electronic control equipment, and ground electronic and communication equipment), and* supplies, [and] materials, and spare parts therefor, not otherwise provided for; [ground electronic and communication equipment;] and the purchase of passenger motor vehicles for replacement only [(including ten and eight at not to exceed $3,000 and $2,400 each; $1,171,500,000]*; $2,146,000,000,* to remain available until expended[, of which amount $21,500,000 shall be transferred to "Establishment of Air Navigation Facilities", CAA for the Department of Defense share of the cost of the 1958 program for the air navigation system known as Vortac]. *(5 U. S. C. 55a, 78, 78a–1; 10 U. S. C. 2386, 8012, 9505, 9531–32; 31 U. S. C. 718; 50 U. S. C. 91–94; 70 Stat. 276, 279; 70A Stat. 636; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$1,171,500,000** Estimate 1959, **$2,146,000,000**
Appropriated (adjusted) 1958, **$1,165,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Weapons, ammunition, and propellants	$99,352,083	$79,224,150	$95,392,000
2. Vehicular equipment	51,699,651	27,381,000	45,990,000
3. Ground communication-electronic equipment	581,290,288	431,574,850	705,712,000
4. Ground handling equipment	433,185,681	444,653,000	873,455,000
5. Training equipment	46,299,204	69,766,000	78,836,000
6. Support equipment and supplies	210,671,420	151,064,000	172,553,000
7. Base maintenance equipment	49,068,444	24,210,000	57,514,000
8. Airborne electronics and communication equipment	45,866,386	23,327,000	1,448,000
Total direct obligations	1,517,433,157	1,251,200,000	2,030,900,000
Reimbursable obligations:			
1. Weapons, ammunition, and propellants	8,752,949	8,000,000	5,000,000
2. Vehicular equipment	6,025,969	8,000,000	6,000,000
3. Ground communication-electronic equipment	36,760,302	15,811,150	21,000,000
4. Ground handling equipment	20,596,212	8,000,000	6,000,000
5. Training equipment	22,094,119	3,000,000	3,000,000
6. Support equipment and supplies	12,875,309	4,000,000	4,000,000
7. Base maintenance equipment	6,025,557	5,000,000	5,000,000
Total reimbursable obligations	113,130,417	51,811,150	50,000,000
Total obligations	1,630,563,574	1,303,011,150	2,080,900,000
Financing:			
Unobligated balance brought forward	−752,025,335	−422,128,685	−391,092,178
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other Air Force accounts		14,282,741	
Advances and reimbursements from other accounts	−72,469,133	−25,274,643	−50,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−53,197,791	−70,182,741	
Recovery of prior year obligations	−35,000,000	−25,000,000	−25,000,000
Unobligated balance carried forward	422,128,685	391,092,178	531,192,178
New obligational authority	1,140,000,000	1,165,800,000	2,146,000,000
New obligational authority:			
Appropriation	$1,140,000,000	$1,171,500,000	$2,146,000,000
Transferred to "Expenses," Airways Modernization Board (31 U. S. C. 581c)		−5,700,000	
Appropriation (adjusted)	1,140,000,000	1,165,800,000	2,146,000,000

Provision is made for ground equipment integral to aircraft and missile systems of the Air Force, for warning and control systems for air defense, and for other centrally

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DEPARTMENT OF THE AIR FORCE—Continued

Current authorizations—Continued

[PROCUREMENT OTHER THAN] AIRCRAFT *AND MISSILE SUPPORT*—Continued

procured ground equipment in support of the regular Air Force, the Air Force Reserve, the Air National Guard, and the Air Reserve Officers Training Corps. Additional funds anticipated for 1958 are shown under "Proposed for later transmission."

1. *Weapons, ammunition, and propellants.*—Provision is made for aircraft rockets, ammunition, propellants, and small arms weapons for the combat materiel reserve and for peacetime training.

2. *Vehicular equipment.*—Provision is made for passenger motor vehicles, trucks, tractors, trailers, and materials handling equipment.

3. *Ground communication-electronic equipment.*—Includes equipment for extension and augmentation of distant early warning lines, radar surveillance systems, data processing systems such as SAGE, and worldwide communications networks, and procurement of other electronic and meteorological equipments. The increase in 1959 stems largely from acceleration and augmentation of ballistic missile detection systems and other programs directly contributing to air defense.

4. *Ground handling equipment.*—Includes launching, guidance, and ground test equipment for ballistic and other guided missiles, and specialized ground servicing equipment for both manned aircraft and guided missiles. The increasing trend for missile equipment in 1958–59 is expected to continue in subsequent years.

5. *Training equipment.*—Provision is made for aircraft and missile flight simulators, mobile maintenance trainers, and armament and communications training aids and devices.

6. *Support equipment and supplies.*—Provision is made for items such as shop machinery, tools and materials, personal equipment, photographic equipment and supplies, office machines, furniture, and food service equipment.

7. *Base maintenance equipment.*—Provision is made for fire-fighting equipment, maintenance machinery, utility equipment, prefabricated structures, and decontaminating equipment.

8. *Airborne electronics and communication equipment.*—Amounts represent obligations against balances of 1956 and prior funds which were not transferred to "Aircraft and missile procurement."

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
Direct obligations:			
03 Transportation of things	$17,178,272	$22,395,000	$27,000,000
08 Supplies and materials	294,649,664	260,244,703	336,000,000
09 Equipment	1,202,181,987	968,115,396	1,667,892,000
Total direct obligations	1,514,009,923	1,250,755,099	2,030,892,000
Reimbursable obligations:			
08 Supplies and materials	23,760,056	14,432,000	12,000,000
09 Equipment	89,370,361	37,379,150	38,000,000
Total reimbursable obligations	113,130,417	51,811,150	50,000,000
Total, Department of the Air Force	1,627,140,340	1,302,566,249	2,080,892,000
ALLOCATION ACCOUNTS			
Average number of all employees	48	24	
Number of employees at end of year	2	0	
01 Personal services: Positions other than permanent	$278,025	$124,038	

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
07 Other contractual services	$3,145,209	$320,863	$8,000
Total, allocation accounts	3,423,234	444,901	8,000
Total obligations	1,630,563,574	1,303,011,150	2,080,900,000
Obligations are distributed as follows:			
Department of the Air Force	$1,627,140,340	$1,302,566,249	$2,080,892,000
Department of Commerce, Civil Aeronautics Administration	530,586	220,641	8,000
Department of Commerce, National Bureau of Standards		148	
Department of the Army	109		
Atomic Energy Commission	2,892,539	224,112	

RESEARCH AND DEVELOPMENT

For expenses necessary for basic and applied scientific research and development, including maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, [$661,000,000] *$719,000,000*, to remain available until expended. *(5 U. S. C. 55a; 10 U. S. C. 174, 1584, 2271–79, 2351–54, 2386, 2663, 8012, 9021, 9503–04, 9532; 31 U. S. C. 718; 40 U. S. C. 523; 50 U. S. C. App. 2093; 70 Stat. 736, 741; 70A Stat. 636; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$661,000,000** Estimate 1959, **$719,000,000**
Appropriated (adjusted) 1958, **$655,707,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment	$136,740,622	$136,135,120	$118,038,000
2. Guided missiles and related equipment	83,257,502	64,240,000	94,029,000
3. Ammunition and related equipment	10,997,111	7,730,000	6,520,000
4. Other equipment	80,232,333	77,927,770	77,021,000
5. Military sciences	66,049,541	83,323,350	90,500,000
6. Operations and management	308,862,888	322,951,000	332,892,000
Total direct obligations	686,139,997	692,307,240	719,000,000
Reimbursable obligations:			
4. Other equipment	175,747		
5. Military sciences	363,415	47,500	
6. Operations and management	11,141,695	5,157,290	5,785,000
Total reimbursable obligations	11,680,857	5,204,790	5,785,000
Total obligations	697,820,854	697,512,030	724,785,000
Financing:			
Unobligated balance brought forward	−38,763,447	−76,600,240	−40,000,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from (−) other accounts		−165,325	
Advances and reimbursements from other accounts	−11,680,857	−5,039,465	−5,785,000
Recovery of prior year obligations	−8,290		
Unobligated balance carried forward	76,600,240	40,000,000	40,000,000
New obligational authority	723,968,500	655,707,000	719,000,000
New obligational authority:			
Appropriation	$710,000,000	$661,000,000	$719,000,000
Transferred from "Emergency fund" (70 Stat. 456)	13,968,500		
Transferred to "Expenses," Airways Modernization Board (31 U. S. C. 581c)		−5,293,000	
Appropriation (adjusted)	723,968,500	655,707,000	719,000,000

This appropriation provides for development and improvement of Air Force weapon systems, components, and equipment and for basic and applied research in fields of particular concern to the Air Force. The major portion of research and development work is carried out through contracts with industry, with the remainder carried out in universities and in Air Force and other governmental facilities. Testing and evaluation of newly developed

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items are carried on at the development and test centers of the Air Force. Additional funds for development and for procurement of items for test and evaluation are provided in the procurement appropriations of the Air Force.

1. *Aircraft and related equipment.*—This program provides for research and development of aircraft and related aircraft equipment, including, for example, airframes, engines, armament, communications, navigation, bombing and fire control equipment.

2. *Guided missiles and related equipment.*—This program provides for research and development of air-to-air, surface-to-air, air-to-surface, and surface-to-surface guided missiles, guided missiles training and test vehicles, and related equipment. The increased funds in 1959 reflect a continued emphasis on the development of guided missiles. An additional amount is anticipated for 1958 and is shown under "Proposed for later transmission."

3. *Ammunition and related equipment.*—This program provides for the research and development of ammunition, rockets, bombs, components such as fuzes and propellants, and related ammunition equipment and components.

4. *Other equipment.*—This program provides for research and development of equipment not separately provided for under other budget programs including communications, construction, training, photographic, organizational, and personal equipment.

5. *Military sciences.*—This program provides for studies in the physical, engineering, and biological sciences to acquire fundamental knowledge applicable to the solution of development problems and studies of techniques and skills having military applications. The program also includes development of general materiel and components.

6. *Operation and management.*—This program provides for the operation, management, and maintenance of the research, development, and test facilities of the Air Force such as the Air Force Missile Test Center.

Work performed by other agencies under allocations in 1957 is to be performed on a reimbursable basis in 1958 and 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
Total number of permanent positions	25,615	24,705	22,684
Full-time equivalent of all other positions	19	25	23
Average number of all employees	24,679	22,752	22,116
Number of employees at end of year	24,639	22,380	22,618
Average GS grade and salary	7.0 $5,333	7.0 $5,368	7.4 $5,595
Average salary of ungraded positions	$5,032	$5,285	$5,385
Personal service obligations:			
Permanent positions	$127,187,598	$123,235,149	$121,907,202
Positions other than permanent	190,656	251,239	234,862
Other personal services	4,944,695	3,356,727	3,122,760
Total personal service obligations	132,322,949	126,843,115	125,264,824
Direct obligations:			
01 Personal services	131,913,517	126,474,913	124,836,477
02 Travel	7,011,981	6,366,149	6,628,803
03 Transportation of things	2,248,516	2,169,019	2,519,212
04 Communication services	2,120,410	2,454,453	2,632,851
05 Rents and utility services	7,496,080	11,815,033	13,290,051
06 Printing and reproduction	551,899	574,248	952,995
07 Other contractual services	450,671,359	443,988,591	469,382,086
Services performed by other agencies	17,175,000	19,720,000	20,000,000
08 Supplies and materials	40,574,590	41,758,800	41,799,042
09 Equipment	25,694,129	28,897,632	29,049,503
11 Grants, subsidies, and contributions		7,719,217	7,639,167
13 Refunds, awards, and indemnities	276,550	277,050	301,050
15 Taxes and assessments	121,692	78,785	81,105
Subtotal	685,855,723	692,293,890	719,112,342
Deduct quarters and subsistence charges	105,196	113,071	112,342
Total direct obligations	685,750,527	692,180,819	719,000,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE—con.			
Reimbursable obligations:			
01 Personal services	$409,432	$368,202	$428,347
02 Travel	261,753	660,894	377,994
03 Transportation of things	58,761	119,727	49,487
04 Communication services	585,472	751,887	702,946
05 Rents and utility services	285,258	344,814	347,949
06 Printing and reproduction	10,684	14,367	9,520
07 Other contractual services	4,283,137	986,552	837,980
Services performed by other agencies	377,125	411,399	436,724
08 Supplies and materials	5,397,483	1,546,948	2,582,265
09 Equipment	11,752		
11 Grants, subsidies, and indemnities			11,788
Total reimbursable obligations	11,680,857	5,204,790	5,785,000
Total, Department of the Air Force	697,431,384	697,385,609	724,785,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	23		
Average number of all employees	23		
Number of employees at end of year	13		
Average GS grade and salary	6.4 $4,709		
Average salary of ungraded positions	$4,479		
01 Personal services:			
Permanent positions	$74,133		
Positions other than permanent	857		
Other personal services	39,806	$9,894	
Total personal services	114,796	9,894	
02 Travel	3,929	500	
03 Transportation of things	601	100	
04 Communication services	2,728		
05 Rents and utility services	2,075		
06 Printing and reproduction	110		
07 Other contractual services	250,664	114,858	
Services performed by other agencies	739		
08 Supplies and materials	3,592	206	
09 Equipment	9,545	267	
11 Grants, subsidies, and contributions		596	
13 Refunds, awards, and indemnities	15		
15 Taxes and assessments	676		
Total, allocation accounts	389,470	126,421	
Total obligations	697,820,854	697,512,030	724,785,000
Obligations are distributed as follows:			
Department of the Air Force	$697,431,384	$697,385,609	$724,785,000
Department of Commerce	119,634	111,957	
Department of the Interior	29,683	2,481	
Department of State	7		
Atomic Energy Commission	32,909		
Federal Communications Commission	58,086		
Library of Congress	146,131	2,153	
Department of Agriculture	3,020		
Department of the Army		9,830	

Operation and Maintenance

For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the activities of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps; maintenance, operation, and modification of aircraft; transportation of things; repair of facilities; field printing plants; hire of passenger motor vehicles; recruiting advertising expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances, and travel expenses of contract surgeons; utility services for buildings erected at private cost as authorized by law (10 U. S. C. 9778), and buildings on military reservations authorized by Air Force regulations to be used for welfare and recreational purposes; rental of land or purchase of options to rent land without reference to section 3648, Revised Statutes, as amended, use or repair of private property, and other necessary expenses of combat maneuvers; civilian clothing not to exceed $30 in cost for each person upon each release from a military prison, each enlisted man discharged for unsuitability, inaptitude, or otherwise than honorably, each enlisted man sentenced by a civil court to confinement in a civil prison, and each enlisted man interned, or discharged without internment as an alien enemy; authorized issues of articles for use of applicants for enlistment and persons in military custody; payment of exchange fees and exchange losses incurred by Air Force disbursing officers or their agents; losses in the accounts of Air Force disbursing officers as authorized by law (31 U. S. C. 95a; 50 U. S. C. App. 1705–1707); care of the dead; chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted

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DEPARTMENT OF THE AIR FORCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

men and patients not otherwise provided for; awards and decorations; expenses of courts, boards, and commissions; expenses for inter-American cooperation as authorized for the Navy by section 7208 of title 10, United States Code, for Latin-American cooperation; industrial mobilization, including maintenance of reserve plants and equipment and procurement planning; special services by contract or otherwise; rations (including commutation thereof) for applicants for enlistment; and not to exceed [$6,264,000] *$6,200,000* for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; [$4,092,120,000] *$4,100,000,000.* *(5 U. S. C. 75a, 78, 103a, 118a, c, f–h, 150, 1111–16, 1121–25, 1131–32, 2171–72; 10 U. S. C. 261–69, 273–78, 280, 591, 593–600, 651, 671–83, 711–13, 715, 816–29, 847, 859–76, 935, 1220, 2386, 2481, 2511, 2602, 2632–33, 2663, 2670, 7208, 8012, 8255, 8540–42, 8546–47, 8612, 8662–63, 8721–23, 8741–52, 9022–23, 9025, 9301–05, 9331–37, 9341–55, 9381–87, 9411–14, 9441, 9501–02, 9505, 9531, 9536, 9561–64, 9593, 9651–56, 9712, 9741–42, 9743, 9746, 9748, 9778; 18 U. S. C. 4281; 22 U. S. C. 1981–85; 31 U. S. C. 22a, 95a; 37 U. S. C. 304; 40 U. S. C. 34–37, 41, 523; 42 U. S. C. 1594–94d, 1856–56d; 43 U. S. C. 315q; 44 U. S. C. 111; 50 U. S. C. 91–94, 451–62; 50 U. S. C. App. 1705–07; 70 Stat. 623, 630, 736, 743, 747, 804, 933, 980, 991, 1016, 1091, 1109, 1111; 70A Stat. 633; 71 Stat. 45, 142, 161; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$4,092,120,000** Estimate 1959, **$4,100,000,000**
Appropriated (adjusted) 1958, **$4,039,120,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Operation of aircraft	$546,373,296	$620,000,000	$611,000,000
2. Logistical support	1,421,094,155	1,435,600,000	1,489,700,000
3. Training support	356,715,026	354,200,000	362,800,000
4. Operation support	1,141,558,864	1,222,336,000	1,263,100,000
5. Medical support	97,402,157	117,400,000	118,000,000
6. Servicewide support	196,793,940	212,200,000	249,200,000
7. Contingencies	4,766,364	6,264,000	6,200,000
Total direct obligations	3,764,703,802	3,968,000,000	4,100,000,000
Reimbursable obligations:			
1. Operation of aircraft	3,851,626	3,492,000	2,000,000
2. Logistical support	163,279,422	194,544,000	190,200,000
3. Training support	7,883,589	10,261,000	7,200,000
4. Operation support	16,056,948	24,986,000	35,000,000
5. Medical support	14,169,474	19,073,000	18,390,000
6. Servicewide support	3,580,017	1,047,000	1,077,000
7. Contingencies	654		
Total reimbursable obligations	208,821,730	253,403,000	253,867,000
Total obligations	3,973,525,532	4,221,403,000	4,353,867,000
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−28,304,862	−8,000,000	
Unobligated balance brought forward (69 Stat. 438)	−10,120,000	−9,336,000	
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from (−) or to other accounts	−26,050,149	3,836,000	
Advances and reimbursements from other accounts:			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−1,569,800	
All other	−194,772,420	−246,333,200	−253,867,000
Anticipated reimbursements for future-year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−9,336,000		
Unobligated balance carried forward (69 Stat. 438)	9,336,000		
Unobligated balance no longer available	24,641,317	79,120,000	
New obligational authority	3,738,919,418	4,039,120,000	4,100,000,000
New obligational authority:			
Appropriation	$3,742,685,000	$4,092,120,000	$4,100,000,000
Transferred to—			
"Operation and maintenance," Army (63 Stat. 589)	−3,765,582		
"Air Force industrial fund" (71 Stat. 430)		−53,000,000	
Appropriation (adjusted)	3,738,919,418	4,039,120,000	4,100,000,000

1. *Operation of aircraft.*—Provision is made for (*a*) aviation fuel and oil consumed in support of the Regular Air Force and Air Force Reserve flying hour program except those programed for research and development activities and those associated with Military Air Transport Service aircraft whose operating costs will be financed by the Air Force industrial fund in 1959; (*b*) aviation fuel and oil utilized in maintenance activities; (*c*) aviation fuel and oil used in crash fire trucks, auxiliary power units, and by non-Air Force aircraft in performing emergency search and rescue missions; (*d*) missile fuel components for training and operational purposes; and (*e*) special fuels and lubricants for service testing.

2. *Logistical support.*—Provision is made for (*a*) depot maintenance of aircraft, engines and accessories, missiles, electronics and communication equipment, ground powered and marine equipment, and other miscellaneous equipment; and storage of aircraft and other equipment; (*b*) operation of the depot supply system; (*c*) commercial transportation incident to shipment from Air Force depots and from other agencies; transportation of Air Force personnel and material by Military Sea Transportation Service; and payment to the Air Force industrial fund for Air Force cargo shipped by the airlift service; (*d*) contract printing and printing procured from Air Force printing plants financed from industrial funds; (*e*) procurement and production operations; industrial preparedness program; and maintenance of reserve production plants and equipment; (*f*) disposition of deceased Air Force personnel; (*g*) installation of fixed communication-electronics technical equipment; (*h*) base operation and maintenance of Air Force installations having logistical support as a primary mission; and (*i*) repairs and modification of buildings and systems at logistical installations.

3. *Training support.*—Provision is made for formal training of the Regular Air Force, Air Force Reserve, Air National Guard, Air Force Reserve Officers' Training Corps, foreign students in the military assistance program; and students from other services and governmental agencies. Training of Regular Air Force consists of: (*a*) basic military training and technical training leading toward specialization; (*b*) advanced technical training in specialized fields and cross-training in new weapons systems, including missiles; (*c*) pilot, navigator, and combat crew flying training; (*d*) professional education to qualify personnel for positions of greater responsibility; and (*e*) scientific training required in the research, development, and operation of increasingly more complex equipment. Air Force reservists are trained at 129 Reserve flying training locations and Air Reserve centers. The training of Air Force Reserve Officers' Training Corps cadets, including flight instruction in light planes, is conducted at civilian institutions and summer encampments. The Air Force Academy, which has been temporarily located at Lowry Air Force Base, Colo., will move to the permanent site at Colorado Springs, Colo., during the first quarter of 1959. During 1959 the Academy will have, for the first time, 4 classes with an average load of 1,184 cadets. Recruitment costs are also included.

4. *Operational support.*—Provision is made for (*a*) the maintenance and operation of the installations and facilities required to support primary combat missions; (*b*) the operation of aircraft control and warning systems and tactical control systems; (*c*) operation of the aeronautical chart and information center; (*d*) the supporting operational requirements incident to air combat maneuvers, rotational movements of Strategic Air Command and Tactical Air Command operational units; (*e*) Airways and Air Communication Service and other supporting

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services; and (*f*) installation of fixed communications-electronics components and repairs and modification of facilities at operational installations. The increase in this activity is based, in part, on additional dispersal of Strategic Air Command units.

5. *Medical support.*—This program covers (*a*) operation of medical treatment facilities in the United States and overseas; (*b*) medical care and hospitalization of Air Force personnel and dependents where Air Force medical facilities are not available; (*c*) medical care and hospitalization for civilian employees and dependents by the Canal Zone Government; and (*d*) training military personnel in medical specialties. These activities are shown in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Fixed medical treatment facilities, worldwide:			
Hospitals	132	134	129
Class A dispensaries	68	63	62
Class B dispensaries	72	55	51
Patients in Air Force hospitals and dispensaries:			
Air Force	5,873	5,634	5,574
Army	462	397	397
Navy	125	115	107
Dependents	2,816	2,544	2,515
Other	187	188	188
Total average daily occupied beds	9,463	8,878	8,781
Patients in non-Air Force facilities:			
(*a*) Active duty and retired personnel	1,525	1,397	1,399
(*b*) Dependents of Air Force personnel:			
In other Federal hospitals	835	753	753
In civilian hospitals	685	1,700	1,660
Total dependents	1,520	2,453	2,413
Medical service personnel in training in:			
Air Force medical schools	6,129	6,064	6,616
Army and Navy medical service schools	668	1,168	845
Civilian institutions	806	963	991
Total	7,603	8,195	8,452

6. *Servicewide support.*—Provision is made for (*a*) administration and management at departmental and major command headquarters and joint headquarters; (*b*) the leasing of command and operational communications systems; and (*c*) air attaché and mission offices, and participation in inter-American cooperation.

7. *Contingencies.*—This program provides for extraordinary expenses as approved by the Secretary of the Air Force and accounted for solely on his certificate.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
Total number of permanent positions	338,746	314,165	307,589
Full-time equivalent of all other positions	293	344	269
Average number of all employees	317,134	294,744	291,512
Number of employees at end of year	311,752	295,492	295,285
Average GS grade and salary	5.8 $4,678	5.8 $4,701	5.8 $4,719
Average salary of ungraded positions	$4,755	$4,778	$4,802
Personal service obligations:			
Permanent positions	$1,350,934,249	$1,318,241,314	$1,331,533,652
Positions other than permanent	1,930,816	2,165,300	1,864,300
Other personal services	48,352,513	43,783,086	42,379,748
Total personal service obligations	1,401,217,578	1,364,189,700	1,375,777,700
Direct obligations:			
01 Personal services	1,375,411,919	1,364,082,700	1,375,667,700
02 Travel	124,661,860	123,840,400	134,526,000
03 Transportation of things	99,147,557	117,510,439	109,513,500
04 Communication services	87,773,535	101,068,000	129,721,200
05 Rents and utility services	86,285,119	106,142,400	108,662,700
06 Printing and reproduction	30,911,054	28,477,000	26,841,000
07 Other contractual services	772,749,592	738,541,829	863,236,700
Services performed by other agencies	92,392,185	123,011,762	106,199,000
Labor contracts with foreign governments [1]	98,272,823	83,136,000	82,061,000
08 Supplies and materials	924,090,919	967,853,632	959,676,700
09 Equipment	67,597,845	127,455,700	118,758,000
11 Grants, subsidies, and contributions	2,824,180	84,983,400	83,337,000

[1] Average number of persons—1957, 76,594; 1958, 67,278; 1959, 62,408.

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE—Con.			
Direct obligations—Continued			
13 Refunds, awards, and indemnities	$2,029,409	$1,027,400	$1,014,500
15 Taxes and assessments	1,485,162	1,669,400	1,605,300
Subtotal	3,765,633,159	3,968,800,062	4,100,820,300
Deduct quarters and subsistence charges	929,357	804,300	820,300
Total direct obligations	3,764,703,802	3,967,995,762	4,100,000,000
Reimbursable obligations:			
01 Personal services	25,805,659	107,000	110,000
02 Travel	1,069,311	48,000	100,000
03 Transportation of things	10,334,898	7,889,000	5,914,000
04 Communication services	1,892,778	3,488,000	3,656,000
05 Rents and utility services	2,750,990	5,151,000	4,850,000
06 Printing and reproduction	218,421	130,000	200,000
07 Other contractual services	117,555,040	184,584,000	180,378,000
Services performed by other agencies	8,146,084	6,476,000	6,062,000
08 Supplies and materials	40,392,529	45,097,000	52,005,000
09 Equipment	656,020	433,000	592,000
Total reimbursable obligations	208,821,730	253,403,000	253,867,000
Total, Department of the Air Force	3,973,525,532	4,221,398,762	4,353,867,000
ALLOCATION TO HOUSING AND HOME FINANCING AGENCY			
07 Other contractual services		4,238	
Total obligations	3,973,525,532	4,221,403,000	4,353,867,000

Military Personnel

For pay, allowances, clothing, subsistence, transportation, interest on deposits of enlisted personnel, and travel in kind for cadets and permanent change of station travel for all other personnel of the Air Force of the United States on active duty including duty under sections 265 and 8033 of title 10, United States Code (other than personnel of the reserve components, including the Air National Guard, on active duty while undergoing Reserve training), including commutation of quarters, subsistence supplies for issue as rations to enlisted personnel, and clothing allowances, as authorized by law; and, in connection with personnel paid from this appropriation, for rental of camp sites and local procurement of utility services and other necessary expenses incident to individual or troop movements (including packing and unpacking and transportation of organizational equipment); ice, meals for recruiting parties, monetary allowances for liquid coffee for troops when supplied cooked or travel rations, and commutation of rations, as authorized by law, to enlisted personnel, including those sick in hospitals; transportation, as authorized by law, of dependents, baggage, and household effects (including storage thereof) of personnel paid from this appropriation; rations for prisoners of war and general prisoners; subsistence supplies for resale, as authorized by law; commutation of rations, as authorized by regulations, to general prisoners while sick in hospitals; subsistence of supernumeraries necessitated by emergent military circumstances; expenses of apprehension and delivery of deserters, prisoners, and members of the Air Force absent without leave, including payment of rewards (not to exceed $25 in any one case); confinement of military prisoners in non-military facilities; and donations of not to exceed $25 to each civilian prisoner upon each release from a military prison, to each enlisted man discharged otherwise than honorably upon each release from confinement under court-martial sentence, and to each person discharged for fraudulent enlistment; [$3,801,600,000] *$3,737,000,000. (10 U. S. C. 265, 555–65, 683, 711–12, 744, 771–74, 858, 1035, 2632, 8012, 8033–34, 8066, 8071–72, 8201–15, 8251–58, 8281, 8284–89, 8293–8303, 8305–10, 8312–13, 8441–51, 8491–92, 8495–8504, 8531, 8611–12, 8632, 8687–88, 8722, 9306, 9331–37, 9341–55, 9441, 9535, 9561, 9562, 9563, 9621–23, 9741–43, 9746, 9748; 18 U. S. C. 4281; 37 U. S. C. 31a, 33–37, 231–38, 251–54, 305, 351–54; 38 U. S. C. 691–91g, 1011–16; 42 U. S. C. 1594–94d; 50 U. S. C. App. 1001–12, 1014–15, 2201–16, 2351–56; 49 Stat. 1524; 53 Stat. 559; 55 Stat. 240; 61 Stat. 425, 501; 64 Stat. 90; 69 Stat. 22, 427; 70 Stat. 119, 245, 250, 282, 582, 584, 608, 625, 630, 631, 700, 857, 1091, 1109, 1111; 70A Stat. 627, 628, 630, 638; 71 Stat. 386, 463, 484, 597; Rev. Stat. 1294; Department of Defense Appropriation Act, 1958.*)

Appropriated 1958, **$3,801,600,000** Estimate 1959, **$3,737,000,000**

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DEPARTMENT OF THE AIR FORCE—Continued

Current authorizations—Continued

MILITARY PERSONNEL—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Pay and allowances	$3,347,988,764	$3,380,324,000	$3,323,679,000
2. Subsistence in kind	145,894,592	148,895,000	140,913,000
3. Movements, permanent change of station	214,498,498	267,186,000	267,505,000
4. Other costs	5,275,570	5,195,000	4,903,000
Total obligations	3,713,657,424	3,801,600,000	3,737,000,000
Financing:			
Comparative transfers (goods and services provided by foreign governments)	−352,170		
Unobligated balance no longer available	7,369,746		
New obligational authority	3,720,675,000	3,801,600,000	3,737,000,000
New obligational authority:			
Appropriation	$3,690,340,000	$3,801,600,000	$3,737,000,000
Transferred from "Military construction, Air Force" (71 Stat. 178)	30,335,000		
Appropriation (adjusted)	3,720,675,000	3,801,600,000	3,737,000,000

The number of Air Force personnel provided for are shown below. The distribution between officers and enlisted in 1959 is subject to revision.

AVERAGE NUMBER

	1957 actual	*1958 estimate*	*1959 estimate*
Officers	141,436	136,211	131,738
Enlisted	769,700	753,899	728,925
Aviation cadets	2,712	1,836	2,115
Air Force Academy cadets	514	764	1,128
Total	914,362	892,710	863,906

YEAR-END NUMBER

	1957 actual	*1958 estimate*	*1959 estimate*
Officers	140,563	133,000	129,200
Enlisted	776,566	739,050	717,720
Aviation cadets	2,202	2,200	2,200
Air Force Academy cadets	504	750	880
Total	919,835	875,000	850,000

1. *Pay and allowances.*—This provides for the pay and allowances of military personnel, including aviation cadets and cadets at the U. S. Air Force Academy. Also included are personnel of the Reserve components while on active duty for purposes other than undergoing training such as duty under 10 U. S. C. 265 or 8033.

Provision is made for amounts otherwise available as quarters allowances to be paid (1) in an estimated amount of $12.2 million in 1958 and $25.7 million in 1959 to the revolving fund for "Acquisition, rehabilitation, and rental of Wherry Act housing," in cases where such housing is assigned as public quarters, and (2) as mortgage payments on Capehart housing.

The Capehart program authorized under title VIII of the National Housing Act, as amended (69 Stat. 646), provides for the acquisition of family housing built on military installations with financing obtained through mortgages which are insured by the Federal Housing Administration. These mortgages are amortized over a 25-year period from quarters allowances to which military personnel assigned to occupy these public quarters would otherwise be entitled and from rentals paid by civilian personnel whose duties require their occupancy of Government quarters. The following schedule indicates the payments from the quarters allowance portion of this appropriation to be applied to reduction of the principal obligations, to pay interest on the unpaid balance at 4% per annum, and to pay the insurance premiums on the mortgages.

	1957 actual	*1958 estimate*	*1959 estimate*
Mortgage indebtedness:			
Mortgage debt at start of year		$12,450,459	$94,571,459
Amount of mortgages executed during year	$12,493,900	$83,018,000	$167,230,000
Payments applied to reduce principal	−$43,441	−$897,000	−$3,733,000
Mortgage debt at end of year	$12,450,459	$94,571,459	$258,068,459
Mortgage payments:			
Amortization of principal	$43,441	$897,000	$3,733,000
Interest expense	$83,300	$1,721,000	$7,169,000
Insurance premium expense	$5,206	$107,000	$448,000
Total mortgage payments	$131,947	$2,725,000	$11,350,000
Number of housing units:			
Beginning of year		944	6,300
Completed during year	944	5,356	10,789
End of year	944	6,300	17,089
Average occupied during year	157	2,852	11,760

In addition, provision is made for payment for proficiency advancements to selected enlisted personnel in critical skill areas and for the Government's contribution to the Federal old-age and survivors' insurance trust fund under the Servicemen's and Veterans' Survivor Benefits Act. It also provides for purchase of individual clothing for initial issue and for payment of clothing maintenance allowances. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission."

2. *Subsistence in kind.*—This provides for the purchase of food supplies for issue as rations to enlisted personnel, including emergency and operational rations. Also included is provision for payment of meals furnished under contract at commercial facilities where the payment of a subsistence allowance would create an individual hardship or the cost of establishing a Government mess facility would be prohibitive.

3. *Movements, permanent change of station.*—This provides for permanent change of station travel for individuals, and groups of military personnel and their dependents, including dislocation and separation travel allowances, storage of household effects in commercial facilities and transportation of personal property. Payment for travel services furnished by the Military Sea Transportation Service and (in 1959) by the Military Air Transport Service is included.

4. *Other costs.*—This provides for apprehension of deserters, absentees, and escaped military prisoners, payment of interest on deposits, payment of death gratuities to beneficiaries of military personnel, and payment of premiums on servicemen's mortgage insurance.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Military	$3,326,183,991	$3,321,677,000	$3,236,293,000
02	Travel	144,623,215	178,938,000	187,687,000
03	Transportation of things	48,895,057	56,635,000	50,535,000
05	Rents and utility services		9,117,000	16,132,000
07	Other contractual services	21,125,226	33,796,000	34,870,000
08	Supplies and materials	145,894,592	148,895,000	140,913,000
10	Lands and structures		3,062,000	22,050,000
11	Grants, subsidies, and contributions	13,610	23,000	23,000
12	Pensions, annuities, and insurance claims	4,810,960	4,741,000	4,482,000
14	Interest	451,000	431,000	398,000
15	Taxes and assessments	21,659,773	44,285,000	43,617,000
	Total obligations	3,713,657,424	3,801,600,000	3,737,000,000

RESERVE PERSONNEL

For pay, allowances, clothing, subsistence, and travel for personnel of the Air Force Reserve and the Air Reserve Officers' Training Corps, while on active duty undergoing Reserve training or while performing drills or equivalent duty, as authorized by law; and the

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procurement and issue of uniforms to institutions necessary for the training of the Air Reserve Officers' Training Corps, as authorized by law; [$55,000,000] *$50,500,000. (10 U. S. C. 261–69, 273–78, 280, 510–13, 515, 591, 593–600, 651, 671–83, 715, 771–74, 1001, 1003–04, 1163, 2001, 2231–38, 2511, 8012, 8062, 8076, 8221–23, 8259–60, 8351–52, 8354–56, 8394–95, 8491, 8540, 8611–12, 8685, 8687–88, 8722, 9301, 9381–87, 9411–14, 9561–63, 9741, 9743; 37 U. S. C. 231–38, 251–54, 301, 305; 50 U. S. C. 1013; 50 U. S. C. App. 454–55; 69 Stat. 598; 70 Stat. 115, 804; 70A Stat. 627, 630, 636; 71 Stat. 206, 484, 489; Department of Defense Appropriation Act, 1958.)*

Appropriated 1958, **$55,000,000** Estimate 1959, **$50,500,000**
Appropriated (adjusted) 1958, **$53,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Reserve personnel	$40,504,278	$43,692,000	$43,772,000
2. Reserve officer candidates	5,442,239	6,308,000	6,728,000
Total obligations	45,946,517	50,000,000	50,500,000
Financing:			
Unobligated balance no longer available	13,353,483	3,000,000	
New obligational authority	59,300,000	53,000,000	50,500,000
New obligational authority:			
Appropriation	$59,300,000	$55,000,000	$50,500,000
Transferred to "Air Force industrial fund" (71 Stat. 430)		−2,000,000	
Appropriation (adjusted)	59,300,000	53,000,000	50,500,000

This appropriation provides for pay and allowances, travel, subsistence, and clothing requirements incident to training and instruction of Air Force Reserve personnel and Reserve Officers' Training Corps students. The Reserve program is designed to provide trained units to supplement regular Air Force units and trained individuals to augment regular Air Force organizations and activities. An additional amount anticipated under proposed pay legislation is shown under "Proposed for later transmission." The Reserve Officers' Training Corps program is designed to provide qualified junior officers for the regular Air Force and the Reserve. During 1959 the Reserve will be organized in 15 combat training wings and miscellaneous supporting units continuing the structure planned for 1958. The personnel program is summarized in the following table:

AIR FORCE RESERVE PERSONNEL STRENGTHS

[In paid status]

	1956 actual	*1957 actual*	*1958 planned*	*1959 proposed*
End of year:				
Officers	35,529	36,740	32,650	35,920
Enlisted	24,264	31,495	36,664	39,632
Total	59,793	68,235	69,314	75,552
Average:				
Officers	38,247	34,371	31,709	34,492
Enlisted	21,761	27,410	34,677	38,217
Total	60,008	61,781	66,386	72,709

The program is based on 48 paid drills and 15 days of active duty training for personnel assigned to Reserve flying training wings, combat support training units, and mobilization assignees who occupy positions that require they be proficient in an aeronautical skill. An additional 36 paid drills are provided for personnel who are required to meet minimum flying proficiency standards. Other reservists required to meet mobilization needs of the Air Force also receive 15 days of paid active duty training. Assignees who will be ordered to specific spaces in major commands receive 24 paid drills. In addition to the normal on-the-job training, selected courses at Air Force schools and special tours of active duty have been provided to further individual proficiency. Estimated strengths for training categories for 1959 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	8,400	9,195	9,585
		Enlisted	17,110	18,167	19,225
24	15	Officers	13,770	14,573	15,260
		Enlisted	13,080	13,986	14,625
0	15	Officers	10,455	10,717	11,075
		Enlisted	4,095	4,068	4,105
0	90–180	Officers	25	7	
		Enlisted	2,379	1,996	1,677
		Total	69,314	72,709	75,552
		Officers	32,650	34,492	35,920
		Enlisted	36,664	38,217	39,632

The Air Force Reserve Officers' Training Corps program is being conducted at 179 college institutions with average enrollment as follows:

Course	*1956 actual*	*1957 actual*	*1958 planned*	*1959 proposed*
Air Science I (basic)	47,000	49,753	49,750	50,250
Air Science II (basic)	28,111	29,666	31,400	32,150
Air Science III (advanced)	6,865	5,540	5,800	5,685
Air Science IV (advanced)	7,690	5,749	5,000	5,325

Uniforms are provided either in kind to the students or by commutation in lieu of uniforms to the institutions. Commutation in lieu of subsistence is provided for advanced students. A summer encampment of 28 days duration is provided for students completing Air Science III. Pay, travel costs, subsistence, and clothing while attending camp are provided.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personnel services: Military	$41,797,383	$42,576,000	$43,296,000
02	Travel	2,240,507	3,012,000	3,089,000
08	Supplies and materials	1,642,668	4,063,000	3,760,000
12	Pensions, annuities, and insurance claims	12,052	51,000	57,000
15	Taxes and assessments	253,907	298,000	298,000
	Total obligations	45,946,517	50,000,000	50,500,000

Air National Guard

For pay, allowances, clothing, subsistence, transportation (including mileage, actual and necessary expenses, or per diem in lieu thereof), medical and hospital treatment and related expenses, for members of the Air National Guard while undergoing Reserve training or while performing drills or equivalent duty, including officers on duty under sections 265, 8033, and 8496 of title 10, United States Code, as authorized by law; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, of Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; establishment, maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including construction of facilities, and additions, extensions, alterations, improvements, and rehabilitation of existing facilities, [as authorized by sections 2231–38 of title 10, United States Code] *initiated in prior fiscal years*; maintenance, operation, and modification of aircraft; transportation of things; purchase (not to exceed [forty-four] *fifty-four*, of which [eighteen] *six* shall be for replacement only) and hire of passenger motor vehicles; procurement and issue to the Air National Guard of the several States, Territories, and the District of Columbia of supplies, materials, and equipment, as authorized by law; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; [$263,000,000] *$238,100,000*: *Provided*, That the number of caretakers authorized to be employed under the provisions of law (32 U. S. C. 709) may be such as is deemed necessary by the Secretary of the Air Force. *(5 U. S. C. 22, 78; 10 U. S. C. 261–69, 273–78, 280, 311–12, 510–13, 515, 591, 593–600, 651, 671–72, 676–83, 715,*

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DEPARTMENT OF THE AIR FORCE—Continued

Current authorizations—Continued

AIR NATIONAL GUARD—Continued

771–74, 1001, 1003–04, 1163, 2001, 2231–38, 2511, 3015, 8012, 8033, 8062, 8077–79, 8224–25, 8261, 8351–52, 8354–56, 8394–95, 8491, 8495–96, 8498, 8611–12, 8687–88, 8721–23, 9021, 9301, 9561–63, 9741, 9743; 32 U. S. C. 101–10, 301–05, 307–08, 312–33, 501–07, 701–13; 32 U. S. C. 31a, 33–37, 231–38, 251–54, 301, 305; 50 U. S. C. App. 2201–16; 69 Stat. 598; 70 Stat. 115, 729; 70A Stat. 627, 630, 631, 632, 633, 636; 71 Stat. 489; Department of Defense Appropriation Act, 1958.)

Appropriated 1958, **$263,000,000** Estimate 1959, **$238,100,000**
Appropriated (adjusted) 1958, **$243,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Major procurement	$20,193,774	$13,837,000	$14,591,000
2. Military construction	42,408,812	11,814,000	2,400,000
3. Maintenance and operation	147,359,857	172,081,000	177,828,000
4. Military personnel	39,269,331	45,268,000	43,281,000
Total obligations	249,231,774	243,000,000	238,100,000
Financing:			
Unobligated balance no longer available	9,468,226		
New obligational authority	258,700,000	243,000,000	238,100,000
New obligational authority:			
Appropriation	$258,700,000	$263,000,000	$238,100,000
Transferred to "Air Force industrial fund" (71 Stat. 430)		−20,000,000	
Appropriation (adjusted)	258,700,000	243,000,000	238,100,000

Provision is made for facilities, supplies, equipment, pay and allowances essential for the training, operation and maintenance of the Air National Guard as a Reserve component of the Air Force. An additional amount anticipated under proposed construction authorization and pay legislation is shown under "Proposed for later transmission." During 1959 the Guard will have 2,400 aircraft, over 902 of which will be jets, and will be organized in 24 wings, 83 squadrons, and 489 support units, continuing the structure planned for 1958. This will also continue the improvements in organization made possible by slight reductions in the number of units active in 1957. The personnel program is summarized in the following table:

AIR NATIONAL GUARD STRENGTH

	1956 actual	*1957 actual*	*1958 planned*	*1959 proposed*
End of year:				
Officers	7,300	8,033	8,400	8,900
Enlisted	56,234	59,917	60,600	62,100
Total	63,534	67,950	69,000	71,000
Average:				
Officers	6,971	7,747	8,200	8,600
Enlisted	56,230	57,747	60,500	61,300
Total	63,201	65,494	68,700	69,900

Estimated strengths for training categories during 1959 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	8,400	8,600	8,900
		Enlisted	55,400	58,750	56,750
0	83–180	Enlisted	5,200	2,550	5,350
		Total	69,000	69,900	71,000

1. *Major procurement.*—Provision is made for the procurement of replacement weapons, ammunition, and various types of communications, electronic, training, vehicular, and other equipment required for aircraft and base operations or maintenance.

2. *Military construction.*—It is anticipated that a supplemental for 1959 will be submitted later to finance projects for which legislative authorization is to be recommended.

3. *Maintenance and operation.*—Provision is made for the operation of 134 Air National Guard installations, including unit equipment and the pay of State civilian employees. Funds are provided for the support of the flying hour program for both tactical and support pilots, transportation costs of supplies and equipment, hospitalization, disposition of deceased personnel, and communication services.

4. *Military personnel.*—Provision is made for the pay and allowances for 48 inactive duty training assemblies and 15 days' active duty training. An additional 36 paid drills are provided for personnel who are required to meet minimum flying proficiency standards. Training for Air National Guard personnel will be provided in service and technical schools, pilot and observer training schools, and by supplementary exercises. Funds for subsistence and uniforms are also included.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
Number of permanent non-Federal positions	13,110	12,947	14,060
Average number of non-Federal employees	11,513	13,500	13,500
Number of non-Federal employees at end of year	12,359	12,719	13,500
Average salary of ungraded positions	$4,658	$4,800	$4,800
01 Personal services:			
Civilian non-Federal	$53,624,676	$62,146,000	$64,800,000
Military	32,088,251	34,996,000	34,506,000
Total personal services	85,712,927	97,142,000	99,306,000
02 Travel	4,385,228	6,772,000	5,244,000
03 Transportation of things	2,187,060	2,240,000	2,291,000
04 Communication services	248,686	320,000	332,000
05 Rents and utility services	218,985	232,000	227,000
06 Printing and reproduction	18,552	45,000	45,000
07 Other contractual services	33,267,821	38,007,000	40,370,000
08 Supplies and materials	60,210,648	71,313,000	71,797,000
09 Equipment	19,481,530	13,640,000	14,593,000
10 Lands and structures	40,805,668	9,444,000	1,741,000
12 Pensions, annuities, and insurance claims	103,143	136,000	139,000
15 Taxes and assessments	988,382	1,339,000	1,356,000
Total, Department of the Air Force	247,628,630	240,630,000	237,441,000
ALLOCATION TO DEPARTMENT OF THE ARMY			
Total number of permanent positions	259	403	114
Average number of all employees	259	393	111
Number of employees at end of year	347	194	110
Average grade and salary	7.7 $5,601	7.7 $5,624	7.7 $5,646
Average salary of ungraded positions	$4,368	$4,381	$4,394
01 Personal services: Permanent positions	$1,603,144	$2,370,000	$659,000
Total obligations	249,231,774	243,000,000	238,100,000

[MILITARY CONSTRUCTION, AIR FORCE]

[For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as authorized by sections 2231–2238 of title 10, United States Code, by section 505 of the Act of September 28, 1951 (Public Law 155), by section 302 of the Act of July 14, 1952 (Public Law 534), the Act of August 7, 1953 (Public Law 209), the Act of April 1, 1954 (Public Law 325), the Act of July 27, 1954 (Public Law 534), the Act of September 1, 1954 (Public Law 765), the Act of July 15, 1955 (Public Law 161), the Act of August 3, 1956 (Public Law 968), and the additional projects as may be authorized by law during the first session of the Eighty-fifth Congress, without regard to section 9774 (d) of title 10, United States Code, and section 3734 Revised Statutes as amended, to remain available until expended, $900,000,000.] *(Supplemental Appropriation Act, 1958.)*

Appropriated 1958, **$900,000,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public works construction	$1,081,490,508	$882,000,000	$247,711,583
2. Minor construction	19,478,632	20,000,000	300,000
3. Planning	33,223,915	33,000,000	1,000,000
4. Supporting activities	13,560,770	40,000,000	11,000,000
5. Reserve forces construction	27,062,714	25,000,000	7,000,000
Total obligations	1,174,816,539	1,000,000,000	267,011,583
Financing:			
Unobligated balance brought forward	−344,163,122	−367,011,583	−267,011,583
Unobligated balance carried forward	367,011,583	267,011,583	
New obligational authority	1,197,665,000	900,000,000	
New obligational authority:			
Appropriation	$1,228,000,000	$900,000,000	
Transferred to "Military personnel," Air Force (71 Stat. 178)	−30,335,000		
Appropriation (adjusted)	1,197,665,000	900,000,000	

1. *Public works construction.*—This program provides for acquisition of land for, and construction of, military public works projects in the United States and overseas as authorized by Congress in current military public works authorization acts. These projects support the current and long-range programs to strengthen and modernize the Air Force.

2. *Minor construction.*—Provision is made for construction of permanent and temporary public works that are not otherwise authorized by law but which are determined to be urgently required and do not exceed $200,000 per project.

3. *Planning.*—This provides for necessary planning of military construction projects, including design, standards, criteria, studies, appraisals, and other related activities.

4. *Supporting activities.*—Provision is made for activities such as the defense access road program and the architect engineer services and land and utilities in support of the privately financed Capehart housing program.

5. *Reserve forces construction.*—This provides for the acquisition and construction of facilities for the training and administration of the Reserve components of the Air Force.

An additional amount anticipated for military construction is included under "Proposed for later transmission" in this chapter.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE AIR FORCE			
07 Other contractual services	$33,223,915	$33,000,000	$1,000,000
10 Lands and structures	1,008,099,420	890,741,252	202,400,429
Total, Department of the Air Force	1,041,323,335	923,741,252	203,400,429
ALLOCATION ACCOUNTS			
Total number of permanent positions	10,161	10,048	10,073
Full-time equivalent of all other positions	140	148	148
Average number of all employees	9,423	9,315	9,315
Number of employees at end of year	10,287	10,174	10,160
Average GS grade and salary	7.6 $5,595	7.6 $5,613	7.6 $5,638
01 Personal services:			
Permanent positions	$50,885,219	$50,645,356	$50,853,400
Positions other than permanent	532,743	560,500	560,300
Total personal services	51,417,962	51,205,856	51,413,700
02 Travel	72,077	60,642	58,392
03 Transportation of things		200	200
04 Communication services	18,645	17,250	16,375
05 Rents and utility services	7,170	21,750	21,650
06 Printing and reproduction	34,676	26,498	20,800
07 Other contractual services	183,352	176,520	92,340
08 Supplies and materials	49,865	58,834	50,114
09 Equipment	14,785	10,443	10,000
10 Lands and structures	81,692,987	24,605,672	11,853,200
11 Grants, subsidies, and contributions		73,523	72,946

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
15 Taxes and assessments	$1,685	$1,560	$1,437
Total allocation accounts	133,493,204	76,258,748	63,611,154
Total obligations	1,174,816,539	1,000,000,000	267,011,583
Obligations are distributed as follows:			
Department of the Air Force	$1,041,323,335	$923,741,252	$203,400,429
Department of the Navy	81,708,301	14,391,536	1,529,154
Department of the Army	50,115,308	49,858,000	50,082,000
Department of Commerce	1,632,755	12,004,712	12,000,000
Department of the Interior	8		
Housing and Home Finance Agency	16,051		
Atomic Energy Commission	20,781	4,500	

Preparation for Sale or Salvage of Military Property

(Indefinite special account)

Appropriated (est.) 1958, **$10,000,000** Estimate 1959, **$12,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operating expenses	$7,744,070	$8,718,000	$10,574,000
2. Procurement of equipment	1,031,230	1,282,000	1,426,000
Total obligations	8,775,300	10,000,000	12,000,000
Financing:			
Appropriation (new obligational authority)	8,775,300	10,000,000	12,000,000

As authorized by the Congress annually, proceeds from the sale of scrap, salvage, or surplus material are used to finance preparation for sale or salvage of scrap, salvage, and surplus material (71 Stat. 430). The following is a fiscal-year comparison of the programed activity:

	1957 actual	*1958 estimate*	*1959 estimate*
Tons of material disposed of	333,649	590,000	920,000
Dollar value of material disposed of	$609,934,000	$1,080,465,000	$1,685,000,000
Proceeds derived from sales	$35,892,281	$38,000,000	$50,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	937	1,074	1,575
Average number of all employees	897	1,071	1,575
Number of employees at end of year	864	1,073	1,575
Average GS grade and salary	5.1 $4,101	5.1 $4,106	5.1 $4,120
Average salary of ungraded positions	$3,529	$3,208	$3,032
01 Personal services:			
Permanent positions	$3,480,099	$4,010,000	$6,019,000
Other personal services	685,099	719,000	737,000
Total personal services	4,165,198	4,729,000	6,756,000
02 Travel	151,713	200,000	300,000
03 Transportation of things	95,216	150,000	250,000
04 Communication services	22,326	25,000	25,000
05 Rents and utility services	62,093	65,000	65,000
07 Other contractual services	2,605,132	2,373,000	1,862,000
Labor contracts with foreign governments [1]	349,604	652,000	658,000
08 Supplies and materials	244,678	250,000	250,000
09 Equipment	1,031,230	1,282,000	1,426,000
11 Grants, subsidies, and contributions		248,000	383,000
15 Taxes and assessments	51,078	29,000	28,000
Subtotal	8,778,268	10,003,000	12,003,000
Deduct quarters and subsistence charges	2,968	3,000	3,000
Total obligations	8,775,300	10,000,000	12,000,000

[1] Average number of employees—1957, 165; 1958, 291; 1959, 307.

Allocations Received From Other Accounts

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Operating expenses," Atomic Energy Commission.
"Mutual security," funds appropriated to the President.
"Family housing," Department of Defense.

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DEPARTMENT OF THE AIR FORCE—Continued

Intragovernmental funds:

AIR FORCE INDUSTRIAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and duplicating	$4,980,300	$7,010,000	$6,972,000
Laundry and dry cleaning	7,153,026	7,135,000	7,275,000
Total cost of goods and services produced	12,133,326	14,145,000	14,247,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−101,190		−34,000
Obligations incurred for costs of other years, net		88,706	
Total program (obligations)	12,032,136	14,233,706	14,213,000
Financing:			
Amounts becoming available:			
New obligational authority (71 Stat. 430) transferred from—			
"Operation and maintenance," Air Force		53,000,000	
"Air National Guard," Air Force		20,000,000	
"Reserve personnel," Air Force		2,000,000	
Customer orders received:			
Printing and duplicating	4,964,700	7,190,300	7,107,000
Laundry and dry cleaning	7,298,546	7,135,000	7,275,000
Total amounts becoming available	12,263,246	89,325,300	14,382,000
Unobligated balance brought forward	6,005,666	6,236,776	81,328,370
Total amounts available	18,268,912	95,562,076	95,710,370
Unobligated balance carried forward	−6,236,776	−81,328,370	−81,497,370
Financing applied to program	12,032,136	14,233,706	14,213,000

This fund finances industrial- and commercial-type activities on a reimbursable basis (5 U. S. C. 172d).

Budget program.—Activities currently financed through this fund consist of 8 printing and duplicating plants located within the continental United States and laundry and dry-cleaning plants at approximately 50 Air Force installations in the continental United States and overseas.

The airlift services portion of the Military Air Transport Service, encompassing the performance or procurement of air transportation and incidental services required for the movement of persons, cargo, mail, or other goods, will be financed through this fund in 1959, and the estimates in operating appropriations of the military departments include funds for their respective airlift requirements. The statements and schedules reflect $75 million transferred in 1958 to provide working capital for this program, pursuant to the Supplemental Appropriation Act, 1958 (71 Stat. 430), but do not reflect estimates for operations, since operating plans have not been completely developed. For the same reason, civilian personal services for these airlift operations to be financed initially from this fund are reflected for 1959 in the schedules for appropriations from which they are currently financed.

The Department of Defense is continuing its evaluation of the extension of this fund to aircraft overhaul and repair facilities. Since this evaluation has not been completed, the estimates do not reflect working capital for this purpose.

Printing and duplicating plants.—Plant capacity and performance capability for printing are expected to remain at about the same levels from 1957 through 1959. During 1957 approximately 1.5 billion units of printing were produced by these 8 plants. Costs increase by about $2 million in 1958 because duplicating facilities adjunct to the printing plants were financed through this fund beginning in 1958. Addition of duplicating functions causes an increase in total production of the printing and duplicating service of about 200 million units from 1957 to 1959.

Laundry and dry-cleaning plants.—The number of plants financed through this fund will decrease by a net of 2 in 1958 (4 plants will be added and 6 dropped), and 4 plants will be added in 1959. This accounts for the decrease in costs in 1958 and the increase in 1959. Otherwise, plant capacity and performance capability are expected to remain at about the same level from 1957 through 1959. These plants processed about 114 million pieces in 1957 and about the same workload is anticipated in 1958 and 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Materials and supplies	$756,759	$736,552	$839,552	$802,552
Advances	1,119	4,294		
Unpaid undelivered orders	203,337	120,458	216,458	219,458
Total selected resources at end of year	961,215	861,304	1,056,010	1,022,010
Selected resources at start of year (−)		−961,215	−861,304	−1,056,010
Increase or decrease (−) in selected resources		−99,911	194,706	−34,000
Materials and supplies capitalized (−)		−1,838	−180,000	
Liabilities assumed: Accrued leave			74,000	
Adjustment of prior year payables		559		
Costs financed from obligations of other years, net (−)		−101,190		−34,000
Obligations incurred for costs of other years, net			88,706	

Operating results and financial condition.—Net income was $186,314 in 1957 because income at fixed prices exceeded costs incurred by about 1.5%. In 1958, $180,000 in supplies was capitalized and $74,000 in accrued leave liability assumed incident to extension of this fund to duplicating services. During 1958, expenditures exceed collections primarily because of payment to the Treasury of an amount equivalent to deutschemark support previously provided laundry and dry-cleaning plants in Germany. Collections are expected to exceed expenditures in 1959, largely as a result of reductions in inventories.

The estimated Government investment of $82 million at June 30, 1959, includes a transfer of $75 million effected in 1958. Of the total investment, an estimated $1.8 million is necessary to provide working capital for activities currently financed through this fund. The balance will be used primarily to provide working capital for the airlift functions of the Military Air Transport Service, to be financed through this fund beginning in 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchases of materials and supplies	$2,616,894	$3,238,400	$3,299,400
Costs, less materials and supplies used	9,494,387	10,829,600	10,910,600
Liabilities assumed: Accrued leave		74,000	
Increase in prior year payables	559		
Increase in selected working capital	230,067	461,000	
Total gross expenditures	12,341,907	14,603,000	14,210,000
Receipts from operations (funds provided):			
Revenue	12,356,891	14,135,000	14,247,000
Decrease in selected working capital			3,000
Total receipts from operations	12,356,891	14,135,000	14,250,000
Budget expenditures	−14,984	468,000	−40,000

Revenue, Expense, and Retained Earnings

Revenue:			
Printing and duplicating	$5,037,248	$6,985,700	$6,957,700
Laundry and dry cleaning	7,298,546	7,135,000	7,275,000
Other revenue	21,097	14,300	14,300
Total revenue	12,356,891	14,135,000	14,247,000

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Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Expense:			
Direct costs incurred:			
Labor	$5,996,834	$6,521,000	$6,572,700
Material used	1,525,530	1,793,000	1,799,000
Contractual services	173,430	276,400	275,400
Total direct costs	7,695,794	8,590,400	8,647,100
Indirect costs incurred:			
Manufacturing expense	3,052,261	4,015,500	4,048,200
General and administrative expense	1,385,271	1,539,100	1,551,700
Cost of goods and services produced	12,133,326	14,145,000	14,247,000
Increase (−) or decrease in unbilled costs	37,251	−10,000	
Cost of goods and services sold	12,170,577	14,135,000	14,247,000
Net income for the year	186,314		
Analysis of retained earnings:			
Retained earnings, beginning of year	484,486	670,241	670,241
Adjustment of prior year payables	−559		
Retained earnings, end of year	670,241	670,241	670,241

Financial Condition

Assets:			
Cash with Treasury	$7,119,741	$81,651,741	$81,691,741
Accounts receivable	660,514	1,022,993	1,030,993
Inventories:			
Work-in-process	97,100	107,100	107,100
Materials and supplies	736,552	839,552	802,552
Net inventories	833,652	946,652	909,652
Advances	4,294		
Total assets	8,618,201	83,621,386	83,632,386
Liabilities:			
Current	1,749,550	1,646,735	1,657,735
Government investment:			
Reappropriations and transfers:			
Start of year	6,000,000	6,000,000	81,000,000
Transfers		75,000,000	
End of year	6,000,000	81,000,000	81,000,000
Assets capitalized, less liabilities assumed:			
Start of year	196,572	198,410	304,410
Assets capitalized	1,838	180,000	
Liablities assumed (−)		−74,000	
End of year	198,410	304,410	304,410
Retained earnings	670,241	670,241	670,241
Total Government investment	6,868,651	81,974,651	81,974,651

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$7,104,757	$7,119,741	$81,651,741	$81,691,741
Obligated balance, net:				
Current liabilities	2,101,392	1,749,550	1,646,735	1,657,735
Obligations other than liabilities (unpaid undelivered orders)	203,337	120,458	216,458	219,458
Accounts receivable (−)	−785,464	−660,514	−1,022,993	−1,030,993
Unbilled balance of customer orders (−)	−420,174	−326,529	−516,829	−651,829
Total obligated balance	1,099,091	882,965	323,371	194,371
Unobligated balance	6,005,666	6,236,776	81,328,370	81,497,370

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2,529	2,648	2,641
Full-time equivalent of all other positions	79	70	70
Average number of all employees	2,405	2,509	2,521
Number of employees at end of year	2,424	2,593	2,540
Average GS grade and salary	5.0 $4,059	5.0 $4,080	5.0 $4,090
Average salary of ungraded positions	$2,799	$2,967	$2,900

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
01	Personal services:			
	Permanent positions	$6,832,019	$7,625,881	$7,459,354
	Positions other than permanent	144,906	128,000	128,000
	Other personal services	255,130	220,119	219,646
	Excess of annual leave earned over leave taken	25,025	74,000	
	Total personal services	7,257,080	8,048,000	7,807,000
02	Travel	2,180	2,100	2,000
03	Transportation of things	14,970	26,000	26,500
04	Communication services	141	500	500
05	Rents and utility services	923,780	925,400	944,900
06	Printing and reproduction	173,430	276,400	275,400
07	Other contractual services	112,780	158,500	162,100
	Labor contracts with foreign governments [1]	616,343	965,000	1,197,000
	Labor provided by the Federal Republic of Germany and the Berlin Magistrat [2]	316,540		
08	Supplies and materials	2,616,894	3,238,400	3,299,400
11	Grants, subsidies, and contributions		425,500	415,300
13	Refunds, awards, and indemnities	22,388	21,600	22,100
15	Taxes and assessments	55,314	54,600	57,800
	Total accrued expenditures	12,111,840	14,142,000	14,210,000
	Increase or decrease (−) in unpaid undelivered orders and advances	−79,704	91,706	3,000
	Total obligations	12,032,136	14,233,706	14,213,000

[1] Man-years of employment, 1957, 627; 1958, 986; 1959, 1,128.
[2] Man-years of employment, 1957, 373; 1958, 0; 1959, 0.

Air Force Management Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction and equipment of distant early warning line	$150,415,361	$23,083,000	
2. Central Federal catalog office	2,120,152	3,661,000	$3,361,600
Total obligations	152,535,513	26,744,000	3,361,600
Financing:			
Unobligated balance brought forward	12,825,609	6,103,938	1,000,000
Advances and reimbursements from other accounts	147,213,889	21,640,062	3,361,600
Recovery of prior-year obligations	289,541		
Unobligated balance carried forward	−6,103,938	−1,000,000	−1,000,000
Unobligated balance no longer available	−1,689,588		
Total financing	152,535,513	26,744,000	3,361,600

This fund was created to facilitate the financing of activities supported by two or more appropriations (5 U. S. C. 172e). The corpus of the fund consists of $1 million. Amounts required for activities financed are provided through advances or reimbursements. The initial construction, equipment, and prestocking of operating supplies and materials of the main segment of the distant early warning line, largely in northern Canada, was begun in 1954 and completed in 1958 and has been financed through this fund. This fund also finances the centralized functions of the Federal catalog program which is under the management control of the Office of the Secretary of Defense. During 1957 this project was financed jointly by the Departments of the Army, Navy, and Air Force. During 1958 and 1959 cataloging services will also be performed for the General Services Administration on a reimbursable basis.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	233	294	316
Average number of all employees	230	269	310
Number of employees at end of year	227	294	316

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DEPARTMENT OF THE AIR FORCE—Continued

Intragovernmental funds—Continued

AIR FORCE MANAGEMENT FUND—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
	Average GS grade and salary	6.8 $5,173	6.9 $5,192	6.8 $5,168
01	Personal services:			
	Permanent positions	$1,181,350	$1,401,130	$1,596,115
	Other personal services	137,862	160,870	91,285
	Total personal services	1,319,212	1,562,000	1,687,400
02	Travel	9,448	15,000	18,000
03	Transportation of things	11,822,950	16,376,000	8,000
04	Communication services	11,470	20,000	30,000
05	Rents and utility services	261,898	871,475	998,700
06	Printing and reproduction	118,211	118,000	118,000
07	Other contractual services	115,504,011	2,998,325	289,500
	Services performed by other agencies		348,000	
08	Supplies and materials	7,097,477	47,500	62,000
09	Equipment	16,390,487	4,299,000	45,000
11	Grants, subsidies, and contributions		87,700	104,000
13	Refunds, awards, and indemnities	55	500	500
15	Taxes and assessments	294	500	500
	Total obligations	152,535,513	26,744,000	3,361,600

AIR FORCE STOCK FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Clothing	$34,593,473	$69,350,000	$66,500,000
Medical-dental supplies	12,349,310	16,000,000	23,000,000
Aviation fuels	737,708,907	728,000,000	825,000,000
Subsistence-commissaries	396,544,087	404,000,000	405,545,000
Air Academy cadet store	490,145	650,000	955,000
General supplies	84,398,454	71,000,000	82,000,000
Total program (obligations)	1,266,084,376	1,289,000,000	1,403,000,000
Financing:			
Sales of goods:			
Clothing	43,915,066	72,000,000	71,400,000
Medical-dental supplies	19,400,510	20,000,000	19,000,000
Aviation fuels	652,757,904	744,000,000	800,000,000
Subsistence-commissaries	367,322,232	399,975,000	405,430,000
Air Academy cadet store	196,369	625,000	670,000
General supplies	85,187,439	92,400,000	93,500,000
Net reimbursable sales	1,168,779,520	1,329,000,000	1,390,000,000
Decrease (−) in unfilled customer orders	−4,184,260		
Adjustment of prior-year revenue	203,267		
Anticipated reimbursements for deliveries of materiel common to United States requirements ordered by military assistance in current year		12,939,500	
Total amounts becoming available	1,164,798,527	1,341,939,500	1,390,000,000
Unobligated balance brought forward	251,746,604	100,460,755	140,460,755
Unobligated balance (anticipated reimbursements to be earned for military assistance fund reservations) transferred from other Air Force accounts		1,525,000	
Total amounts available	1,416,545,131	1,443,925,255	1,530,460,755
Rescission (70 Stat. 455)	−50,000,000		
U. S. requirements ordered by military assistance		−14,464,500	
Unobligated balance carried forward	−100,460,755	−140,460,755	−127,460,755
Financing applied to program	1,266,084,376	1,289,000,000	1,403,000,000

This fund finances the procurement and maintenance of approximately 94,000 common-use items for resale and mobilization reserve. These statements reflect the extension of the fund in 1958 to include selected organizational clothing items and locally purchased medical material. At Eglin Air Force Base as a test for the future inclusion of such stocks at all bases, base stocks of selected general supply items are also included. No other change in scope is planned for 1958 and 1959.

During 1957 depot stocks of clothing and medical-dental items were transferred to single-manager control in Army and Navy, respectively. Additional transfers will be completed in 1958.

Changes in inventory capitalized under each category are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Clothing	−$135,525,558	−$24,510,000	$900,000
Medical-dental supplies	−48,092,334	−1,288,750	
Aviation fuels	−440,499		
Subsistence, commissaries	347,743	374,828	150,000
General supplies	7,895,681	7,510,000	50,000
Total inventories capitalized during year (net of decapitalizations)	−175,814,967	−17,913,922	1,100,000
Increase or decrease (−) in undelivered purchases to be paid from other accounts	6,337,168	−6,337,168	
Net change in capitalized inventories	−169,477,799	−24,251,090	1,100,000

Budget program.—The program shows a net increase in obligations of $136.9 million from 1957 to 1959. About 63% of the increase is in the aviation fuel category and reflects increasing sales and buildup of reserves inventory. The balance results from the procurement of organizational clothing brought under the fund in 1958, and the necessity to replace through procurement essentially all base sales of individual clothing and medical items, whereas, in 1957 such sales were partially satisfied through reductions of depot stocks then under Air Force control.

Inventory totals continue to decrease. A net decrease of $62 million from 1957 to 1959 reflects reduction of operating stocks of $129.3 million, including decapitalizations of $17 million, offset by increases in reserves of $68.3 million in fuel. The budget program is based on year-end inventories as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Clothing:			
Operating stocks	$52,279,093	$28,299,993	$25,699,993
Mobilization reserve stocks	125,000	125,000	125,000
Medical-dental supplies:			
Operating stocks	10,599,000	7,837,000	7,537,000
Mobilization reserve stocks	22,284,961	22,284,961	26,284,961
Excess or surplus stocks awaiting disposal	2,147,761	646,201	346,201
Aviation fuels:			
Operating stocks	111,472,894	65,302,355	68,465,355
Mobilization reserve stocks	185,719,090	223,066,000	249,903,000
Subsistence-commissaries:			
Operating stocks	58,981,333	56,927,162	57,299,162
Mobilization reserve stocks	4,806,000	4,806,000	4,806,000
Air Academy cadet store:			
Operating stocks	97,340	164,300	237,320
General supplies:			
Operating stocks	180,402,170	148,453,958	125,316,958
Mobilization reserve stocks	1,682,729	1,846,000	1,846,000
Excess or surplus stocks awaiting disposal	6,710,622	5,563,000	7,500,000
Summary:			
Operating stocks	413,831,830	306,984,768	284,555,788
Mobilization reserve stocks	214,617,690	252,127,961	282,964,961
Excess or surplus stocks awaiting disposal	8,858,383	6,209,201	7,846,201
Total inventories	637,307,903	565,321,930	575,366,950

Financing operations.—Funds for financing the budget program are derived from sales to authorized customers. Sales in 1959 increase over 1957 due mainly to increased demand for aviation fuel and oil to meet operating programs; to the inclusion of certain organizational clothing items and to increased sales in commissary sales stores. The number of such stores increases from 213 in 1957 to 230 in 1958 and 1959. Cash collections are expected to exceed cash expenditures by $40 million in 1958 largely through reductions in inventories. In 1959 a net expenditure of $19 million is forecast as collections will be less than payments largely because of increased procurement of reserve stocks.

Operating results.—The estimates reflect a net operating loss in 1959 of $3.4 million, resulting mainly from the disposal or donation of material which was excess at the time capitalized. In 1958 a slight operating gain is forecast

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resulting mainly from an increase in standard prices of fuel which offset the losses on disposal in other categories. The net operating loss in 1957 of $28.5 million resulted from losses on disposal and donations totaling $19.9 million and unusual operating losses in the aviation fuel category of $17.3 million less minor gains in other categories.

Financial condition.—Investment of the Government at June 30, 1959, will be $826.9 million, made up of $221.3 million in appropriations and reappropriations, $745.2 million of capitalized assets and $139.6 million of deficit. This is a decrease of $25.3 million from the total investment at the end of 1957.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale	$1,157,494,335	$1,203,711,749	$1,326,467,750
Transportation	64,920,158	57,952,200	62,827,270
Other operating expense	13,779,678	12,000,000	13,000,000
Increase (−) or decrease in accounts payable (net)	19,930,221	−25,679,949	−871,020
Increase or decrease (−) in advances	175,000	−175,000	
Total gross expenditures	1,256,299,392	1,247,809,000	1,401,424,000
Receipts from operations (funds provided):			
Reimbursable sales	1,168,779,520	1,329,000,000	1,390,000,000
Increase (−) or decrease in accounts receivable and other debits	3,236,808	−41,191,000	−7,576,000
Total receipts from operations	1,172,016,328	1,287,809,000	1,382,424,000
Budget expenditures	84,283,064	−40,000,000	19,000,000

Revenue, Expense, and Retained Earnings

Revenue, net sales	$1,168,779,520	$1,329,000,000	$1,390,000,000
Expense:			
Cost of goods purchased, net	1,157,494,335	1,203,711,749	1,326,467,750
Transportation	64,920,158	57,952,200	62,827,270
Other operating expense	13,779,678	12,000,000	13,000,000
Inventory increase (−) or decrease from operations	−57,390,537	48,401,715	−29,541,320
Inventory gain (−) or losses, net	−5,422,411	8,271,200	8,273,300
Loss on disposal of inventory at less than standard prices	18,308,796	10,250,000	11,523,000
Total operating expense	1,191,690,019	1,340,586,864	1,392,550,000
Operating loss (−)	−22,910,499	−11,586,864	−2,550,000
Markup or markdown (−) of inventory due to revision of standard prices	−3,988,020	13,650,864	
Donations (−) for education, public health or civil defense (40 U. S. C. 484 (j) (1), (2))	−1,632,009	−800,000	−800,000
Net income or loss (−) for the year	−28,530,528	1,264,000	−3,350,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−109,201,057	−137,528,318	−136,264,318
Adjustment of prior year revenue and expense	203,267		
Deficit (−), end of year	−137,528,318	−136,264,318	−139,614,318

Financial Condition

Assets:			
Cash with Treasury	$194,207,652	$234,207,652	$215,207,652
Accounts receivable, net	129,290,173	170,481,173	178,057,173
Inventories	637,307,903	565,321,930	575,366,950
Advances	175,000		
Due in from other accounts	6,337,168		
Total assets	967,317,896	970,010,755	968,631,775
Liabilities:			
Current liabilities	115,146,972	140,826,921	141,697,941
Government investment:			
Principal of fund:			
Start of year	1,209,177,041	989,699,242	965,448,153
Rescission (70 Stat. 455)	−50,000,000		
Net change in capitalized inventory	−169,477,799	−24,251,090	1,100,000
End of year	989,699,242	965,448,152	966,548,153
Deficit (−)	−137,528,318	−136,264,318	−139,614,319
Total Government investment	852,170,924	829,183,834	826,933,834

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$328,490,716	$194,207,652	$234,207,652	$215,207,652
Obligated balance, net:				
Current liabilities	135,077,193	115,146,972	140,826,921	141,697,941
Other obligations, net (unpaid undelivered orders and unperformed contracts)	84,174,893	113,890,098	129,401,149	130,106,129
Accounts receivable, net (−)	−132,323,714	−129,290,173	−170,481,173	−178,057,173
Unfilled customer orders (−)	−10,184,260	−6,000,000	−6,000,000	−6,000,000
Total obligated balance	76,744,112	93,746,897	93,746,897	87,746,897
Unobligated balance	251,746,604	100,460,755	140,460,755	127,460,755

Object Classification

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$64,907,510	$57,952,200	$62,827,270
07	Other contractual services	13,779,678	12,000,000	13,000,000
08	Supplies and materials	1,184,683,224	1,215,547,800	1,322,972,730
09	Equipment	2,713,964	3,500,000	4,200,000
	Total obligations	1,266,084,376	1,289,000,000	1,403,000,000

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sales of subsistence, clothing, etc	$22,523,572	$21,626,000	$21,624,000
2. Military personnel on duty with other agencies	3,691,430	4,453,000	4,453,000
3. Construction	7,074,000	5,000,000	8,000,000
4. International commercial airlift	4,767,142		
5. Miscellaneous	552,959	300,000	300,000
Total obligations	38,609,103	31,379,000	34,377,000
Financing:			
Advances and reimbursements from—			
Other accounts	18,782,980	11,779,000	11,777,000
Non-Federal sources (10 U. S. C. 1238; 69 Stat. 316, 653)	19,826,123	19,600,000	22,600,000
Total financing	38,609,103	31,379,000	34,377,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Military	$3,501,347	$4,128,000	$4,128,000
02	Travel	5,110,184	625,000	625,000
07	Other contractual services	7,474,000	5,000,000	8,000,000
08	Supplies and materials	22,523,572	21,626,000	21,624,000
	Total obligations	38,609,103	31,379,000	34,377,000

Proposed for later transmission:

Aircraft and Missile Support

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Vehicular equipment		$1,500,000	$2,700,000
2. Ground communication-electronic equipment		175,800,000	12,900,000
3. Ground handling equipment		147,700,000	5,100,000
4. Support equipment and supplies		4,300,000	8,100,000
5. Base maintenance equipment		700,000	1,200,000
Total obligations		330,000,000	30,000,000
Financing:			
Unobligated balance brought forward			−30,000,000
Unobligated balance carried forward		30,000,000	
Proposed supplemental appropriation		360,000,000	

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DEPARTMENT OF THE AIR FORCE—Continued

Proposed for later transmission—Continued

AIRCRAFT AND MISSILE SUPPORT—Continued

Under existing legislation, 1958.—An additional amount is anticipated in 1958 for ground communication-electronic equipment for the ballistic missile detection program, and for launching and servicing equipment for the IRBM and ICBM programs, to enable the early exploitation of technological advances realized since submission of the 1958 budget.

RESEARCH AND DEVELOPMENT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Guided miss les and related equipment (total obligations)		$30,000,000	
Financing:			
Proposed supplemental appropriation		30,000,000	

Under existing legislation, 1958.—This supplemental appropriation for 1958 is for acceleration of intermediate range ballistic missile development.

MILITARY PERSONNEL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Pay and allowances (total obligations)			$182,000,000
Financing:			
Proposed supplemental appropriation			182,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the Defense Advisory Committee on Professional and Technical Compensation, to assist in attracting and retaining highly trained personnel.

RESERVE PERSONNEL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Reserve personnel (total obligations)			$3,000,000
Financing:			
Proposed supplemental appropriation			3,000,000

Under proposed legislation, 1959.—Legislation will be proposed to modernize the compensation system for the uniformed services in accordance with the recommendations of the Defense Advisory Committee on Professional and Technical Compensation, to assist in attracting and retaining highly trained personnel.

AIR NATIONAL GUARD

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Military construction			$9,600,000
2. Military personnel			3,000,000
Total obligations			12,600,000
Financing:			
Proposed supplemental appropriation			12,600,000

Under proposed legislation, 1959.—Legislation will be proposed to provide authorization for construction of aircraft parking aprons, rocket ammunition storage facilities, and training facilities to accommodate jet aircraft; and to modernize the compensation system for the uniformed services in accordance with the recommendations of the Defense Advisory Committee on Professional and Technical Compensation, to assist in attracting and retaining highly trained personnel.

MILITARY CONSTRUCTION, AIR FORCE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public works construction		$340,000,000	$808,288,000
2. Minor construction			19,700,000
3. Planning			24,000,000
4. Supporting activities			13,000,000
5. Reserve forces construction			3,000,000
Total obligations		340,000,000	867,988,000
Financing:			
Unobligated balance brought forward			−180,000,000
Unobligated balance carried forward		180,000,000	267,012,000
Proposed supplemental appropriation		520,000,000	955,000,000

Under proposed legislation, 1958 and 1959.—Legislation will be proposed to provide additional authorization for acquisition and construction of facilities for the Department of the Air Force within the United States and overseas. The additional authorization and proposed supplemental estimate for 1958 will provide for acceleration of the ballistic missile and ballistic missile detection programs, for additional alert and dispersal facilities for the Strategic Air Command, and for extension of the semi-automatic ground environment system for air defense.

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

Proposed for later transmission:

CIVILIAN PERSONNEL PAY ADJUSTMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Civilian personnel pay adjustments (total obligations)			$205,000,000
Financing:			
Proposed supplemental appropriation			205,000,000

Under proposed legislation, 1959.—Additional funds are anticipated for the Department of Defense share of the cost of proposed legislation to increase pay rates for Federal civilian employees.

GENERAL PROVISIONS

SEC. 601. During the current fiscal year, the Secretary of Defense and the Secretaries of the Air Force, Army, and Navy, respectively, if they should deem it advantageous to the national defense, and if in their opinions, the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at rates for individuals not in excess of [$50] *$75* per day under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized by law: *Provided,* That such contracts may be renewed annually.

SEC. 602. During the current fiscal year, provisions of law pro-

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hibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 603. Appropriations contained in this Act shall be available for insurance of official motor vehicles in foreign countries, when required by laws of such countries; payments in advance of expenses determined by the investigating officer to be necessary and in accord with local custom for conducting investigations in foreign countries incident to matters relating to the activities of the department concerned; reimbursement of General Services Administration for security guard services for protection of confidential files; reimbursement of the Federal Bureau of Investigation for expenses in connection with investigation of defense contractor personnel; and all necessary expenses, at the seat of government of the United States of America or elsewhere, in connection with (1) instruction and training, including tuition, specifically approved by the Secretary of the department concerned and not otherwise provided for, of civilian employees, and (2) communication and other services and supplies as may be necessary to carry out the purposes of this Act: *Provided*, That no appropriation contained in this Act, and no funds available from prior appropriations to component departments and agencies of the Department of Defense, shall be used to pay tuition or to make other payments to educational institutions in connection with the instruction or training of file clerks, stenographers, and typists receiving, or prospective file clerks, stenographers, and typists who will receive compensation at a rate below the minimum rate of pay for positions allocated to grade GS–5 under the Classification Act of 1949, as amended.

SEC. 604. Any appropriation available to the Air Force, Army, or the Navy may, under such regulations as the Secretary concerned may prescribe, be used for expenses incident to the maintenance, pay, and allowances of prisoners of war, other persons in Air Force, Army, or Navy custody whose status is determined by the Secretary concerned to be similar to prisoners of war, and persons detained in such custody pursuant to Presidential proclamation.

SEC. 605. Appropriations available to the Department of Defense for the current fiscal year for maintenance or construction shall be available for acquisition of land as authorized by section 406 of the Act of August 3, 1956 (70 Stat. 1015).

[SEC. 606. During the current fiscal year, appropriations otherwise available for construction of family quarters for personnel shall not be obligated for such construction at a cost per family unit in excess of $20,000 on housing units for generals or equivalent; $18,000 on housing units for colonels or equivalent; $16,000 on housing units for majors and lieutenant colonels, or equivalent; $14,000 on housing units for second lieutenants, lieutenants, captains, and warrant officers, or equivalent; or $12,000 on housing units for enlisted personnel, except that when such units are constructed outside the continental United States or in Alaska, the average cost per unit of all such units shall not exceed $25,850 and in no event shall the individual cost exceed $35,000, except units for the Alaska Communication System the individual cost of which shall not exceed $40,000.]

SEC. [607] *606*. Appropriations for the Department of Defense for the current fiscal year shall be available, (a) except as authorized by the Act of September 30, 1950 (20 U. S. C. 236–244), for primary and secondary schooling for minor dependents of military and civilian personnel of the Department of Defense residing on military or naval installations or stationed in foreign countries, as authorized for the Navy by section 7204 of title 10, United States Code, in amounts not exceeding an average of $245 per student, when the Secretary of the Department concerned finds that schools, if any, available in the locality, are unable to provide adequately for the education of such dependents; (b) for expenses in connection with administration of occupied areas; (c) for payment of rewards as authorized for the Navy by section 7209 (a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (d) for payment of deficiency judgments and interest thereon arising out of condemnation proceedings; (e) for payment of rentals at the seat of government or elsewhere, and, in administering the provisions of 43 U. S. C. 315q, rentals may be paid in advance.

SEC. [608] *607*. No part of any appropriation contained in this Act shall be used directly or indirectly except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or the Republic of Panama: *Provided, however,* (1) That, notwithstanding the provision in the Act approved August 11, 1939 (53 Stat. 1409), limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said Act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this Act shall prohibit the continued employment of any person who shall have rendered fifteen or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this Act (a) shall normally be employed not more than forty hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 per centum; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further,* That the President may suspend from time to time in whole or in part compliance with this section if he should deem such course to be in the public interest.

SEC. [609] *608*. Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by making available or causing to be made available to purchasing and contracting agencies of the Department of Defense information as to commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

SEC. [610] *609*. No appropriation contained in this Act shall be available for expenses of operation of messes (other than organized messes the operating expenses of which are financed principally from nonappropriated funds) at which meals are sold to officers or civilians except under regulations approved by the Secretary of Defense, which shall (except under unusual or extraordinary circumstances) establish rates for such meals sufficient to provide reimbursement of operating expenses and food costs to the appropriations concerned: *Provided,* That officers and civilians in a travel status receiving a per diem allowance in lieu of subsistence shall be charged at the rate of not less than $2.25 per day: *Provided further,* That for the purposes of this section payments for meals at the rates established hereunder may be made in cash or by deductions from the pay of civilian employees.

SEC. [611] *610*. No part of any appropriation contained in this Act shall be available until expended unless expressly so provided elsewhere in this or some other appropriation Act.

SEC. [612] *611*. Not more than [$41,000,000] *$49,000,000* of the amounts received during the current fiscal year by the Department of Defense as proceeds from the sale of scrap, salvage or surplus materials, shall be available during the current fiscal year for expenses of transportation, demilitarization, and other preparation for sale or salvage of military supplies, equipment, and materiel: *Provided,* That a report of receipts and disbursements under this limitation shall be made quarterly to the Committees on Appropriations of the Congress: *Provided further,* That no funds available to agencies of the Department of Defense shall be used for the operation, acquisition or construction of new facilities or equipment for new facilities in the continental limits of the United States for metal scrap baling or shearing or for melting or sweating aluminum scrap unless the Secretary of Defense or an Assistant Secretary of Defense designated by him determines, with respect to each facility involved, that the operation of such facility is in the national nterest.

SEC. [613] *612*. During the current fiscal year, the President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

SEC. [614] *613*. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned, with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish

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GENERAL PROVISIONS—Continued

sufficient gross revenue from sales of commissary stores to make such reimbursement: *Provided*, That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska: *Provided further*, That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

SEC. [615] *614*. No funds appropriated in titles I, III, IV, and V of this Act shall be used for the payment in excess of 470,000 full-time graded civilian employees (including (a) the full-time equivalent of part-time employment, (b) persons who are described as "consultants" or who are compensated on a "when actually employed" basis if such persons are employed on a contract basis or are paid on a per diem basis, and (c) persons employed without compensation if they are reimbursed for expenses) at any one time during the current fiscal year: *Provided*, That whenever, in the opinion of the Secretary of the Military Department concerned, the direct substitution of civilian personnel for an equivalent or greater number of military personnel will result in economy without adverse effect upon national defense, such substitution may be accomplished without regard to the foregoing limitation, and such funds as may be required to accomplish the substitution may be transferred from the appropriate military personnel appropriation to, and merged with, the appropriation charged with compensation of such civilian personnel.

SEC. [616] *615*. Notwithstanding any other provision of law, executive order, or regulation, no part of the appropriations in this Act shall be available for any expenses of operating aircraft under the jurisdiction of the Armed Forces for the purpose of proficiency flying except in accordance with the regulations issued by the Secretaries of the Departments concerned and approved by the Secretary of Defense which shall establish proficiency standards and maximum and minimum flying hours for this purpose: *Provided*, That without regard to any provision of law or executive order prescribing minimum flight requirements, such regulations may provide for the payment of flight pay at the rates prescribed in section 204 (b) of the Career Compensation Act of 1949 (63 Stat. 802) to certain members of the Armed Forces otherwise entitled to receive flight pay during the fiscal year [1958] *1959* (1) who have held aeronautical ratings or designations for not less than twenty years, or (2) whose particular assignment outside the United States makes it impractical to participate in regular aerial flights.

SEC. [617] *616*. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of eleven thousand pounds net in any one shipment: *Provided*, That the limitations imposed herein shall not be applicable in the case of members transferred to or serving in stations outside the continental United States or in Alaska under orders relieving them from a duty station within the United States prior to July 10, 1952, and who are returned to the United States under orders relieving them from a duty station beyond the United States or in Alaska on or after July 1, 1953.

SEC. [618] *617*. Vessels under the jurisdiction of the Department of Commerce, the Department of the Army, the Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

SEC. [619] *618*. None of the funds provided in this Act shall be available for training in any legal profession nor for the payment of tuition for training in such profession: *Provided*, That this limitation shall not apply to the off-duty training of military personnel as prescribed by section [624] *623* of this Act.

SEC. [620] *619*. Funds provided in this Act for public information and public relations shall not exceed [$3,000,000] *$3,170,000*.

SEC. [621] *620*. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during fiscal year [1958] *1959* shall be obligated during the last two months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps.

SEC. [622] *621*. During the fiscal year [1958] *1959*, the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

[In addition to the foregoing,] *Except as provided in this section, after June 30, 1958*, agencies of the Department of Defense may *not* accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and [such agencies may] use the same for the support of the United States forces in such areas without specific appropriation therefor[: *Provided*, That within thirty days after the end of each quarter the Secretary of Defense shall render to the Committees on Appropriations of the Senate and the House of Representatives and to the Bureau of the Budget a full report of such property, supplies, and commodities received during such quarter].

SEC. [623] *622*. During the current fiscal year, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the service concerned.

SEC. [624] *623*. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of educational institutions for tuition or expenses for off-duty training of military personnel, nor for the payment of any part of tuition or expenses for such training for commissioned personnel who do not agree to remain on active duty for two years after completion of such training.

SEC. [625] *624*. No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, Reserve Officers' Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense.

[SEC. 626. No part of any appropriation contained in this Act shall be available for the procurement of any article of food, clothing, cotton, spun silk yarn for cartridge cloth, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles) not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, spun silk yarn for cartridge cloth, or wool grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters and emergency procurements or procurements of perishable foods by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations.]

SEC. [627] *625*. None of the funds appropriated in this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or dry-cleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.

SEC. [628] *626*. During the current fiscal year, appropriations of the Department of Defense shall be available for reimbursement to the Post Office Department for payment of costs of commercial air transportation of military mail between the United States and foreign countries.

SEC. [629] *627*. Appropriations of the Department of Defense available for the payment of rental allowances shall be available for the leasing of quarters in foreign countries constructed under the authority of section 302 of Public Law 534, approved July 14, 1952, for assignment as public quarters to military personnel of the Department of Defense.

SEC. [630] *628*. Appropriations contained in this Act shall be available for providing furnishings, without charge, in other than public quarters occupied by military or civilian personnel of the Department of Defense on duty outside the continental United States or in Alaska, upon a determination, under regulations approved by the Secretary of Defense, that such action is advantageous to the Government.

SEC. [631] *629*. During the current fiscal year appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131).

SEC. [632] *630*. During the current fiscal year, the Secretary of Defense shall, upon requisition of the National Board for the Promotion of Rifle Practice, and without reimbursement, transfer from agencies of the Department of Defense to the Board ammunition in such amounts as he may determine.

Such appropriations of the Department of Defense available for obligation during the current fiscal year as may be designated by the

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Secretary of Defense shall be available for the travel expenses of military and naval personnel, including the reserve components, and members of the Reserve Officers' Training Corps attending regional, national or international rifle matches.

SEC. 631. At such times during the current fiscal year as the President shall determine that such action is necessary in the interests of national security, he is authorized to transfer, between any appropriations, funds, or authorizations available for military functions of the Department of Defense, not to exceed a total of $2,000,000,000, in such amounts as he may deem to be necessary for the purposes of any appropriation, fund, or authorization to which any such transfer is made: Provided, That within ten days after the end of each calendar quarter the Secretary of Defense shall inform the Committees on Appropriations of the Senate and the House of Representatives of all such transfers which have been made during the preceding quarter. (Department of Defense Appropriation Act, 1958.)

[GENERAL PROVISIONS]

[SEC. 301. Funds appropriated to the military departments for construction in prior years are hereby made available for construction authorized for each such department by the authorizations enacted into law during the first session of the Eighty-fifth Congress.]

[SEC. 302. None of the funds appropriated in this chapter shall be expended for payments under a cost-plus-a-fixed-fee contract for work where cost estimates exceed $25,000 to be performed within the continental United States without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.]

[SEC. 303. None of the funds appropriated in this chapter shall be expended for additional costs involved in expediting construction unless the Secretary of Defense certifies such costs to be necessary to protect the national interest and establishes a reasonable completion date for each project, taking into consideration the urgency of the requirement, the type and location of the project, the climatic and seasonal conditions affecting the construction and the application of economical construction practices.]

[SEC. 304. None of the funds appropriated in this chapter shall be used for the construction, replacement, or reactivation of any bakery, laundry, or dry-cleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify, in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.]

[SEC. 305. Funds appropriated to the military departments for construction are hereby made available for advance planning, construction design and architectural services, as authorized by section 504 of the Act of September 28, 1951, as amended (69 Stat. 352), and for hire of passenger motor vehicles.]

[SEC. 306. Appropriations to the military departments for construction may be charged for the cost of administration, supervision and inspection of family housing authorized pursuant to title IV of the Act of August 11, 1955 (Public Law 345), in an amount not to exceed three and one-half per centum of the cost of each such project: *Provided*, That such appropriations shall be reimbursed from the proceeds of any mortgage executed on each such project.]

[SEC. 307. Any limitations contained in the Department of Defense Appropriation Act, 1958, on the unit cost of construction of family quarters shall not be applicable to forty-seven units of family quarters at the United States Air Force Academy, the individual cost of which shall not exceed the following limitations: $75,000 on one unit for the superintendent; $50,000 on two units for the deans; and $30,000 on forty-four units for department heads.]

[SEC. 308. Funds appropriated to the military departments for construction may be used for advances to the Bureau of Public Roads, Department of Commerce, for the purposes of section 6 of the Defense Highway Act of 1941 (55 Stat. 765), as amended, and section 12 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), as amended, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.]

[SEC. 309. The family unit costs for family housing including land authorized to be purchased by section 103 of H. R. 8240, Eighty-fifth Congress, may exceed by not more than 15 per centum the respective limitations on such costs contained in the Department of Defense Appropriation Act for 1958.]

[SEC. 310. Any limitations contained in the Department of Defense Appropriation Act, 1958, on the unit cost of the construction of family quarters shall not be applicable to such units constructed in Canada, Alaska, and the Aleutian Islands. The average per unit cost of all family quarters constructed in Canada, Alaska, and the Aleutian Islands shall not exceed $32,000, and in no event shall the individual cost exceed $40,000.]

[SEC. 311. None of the funds appropriated in this chapter may be used to begin construction on new bases for which specific appropriations have not been made.]

[SEC. 312. The Secretary of Defense is hereby authorized to transfer to the "Air Force industrial fund" not to exceed $75,000,000 from appropriations to the Department of the Air Force available for obligation during the fiscal year 1958.]

[SEC. 313. Section 612 of the Department of Defense Appropriation Act of 1958, Public Law 117, approved August 2, 1957, is amended by deleting the figures "$41,000,000" in the first line and inserting in lieu thereof "$45,000,000".]

[SEC. 314. The General Counsel of the Department of Defense shall be paid at the rate prescribed by Reorganization Plan Numbered 6 approved June 30, 1953 (67 Stat. 638).] (*Supplemental Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate) [1]				
OFFICE OF THE SECRETARY OF DEFENSE								
Salaries and expenses	5	$15,000	5	$2,500	$12,500	20	$1,500	Civilian and military personnel: Transportation associated with meetings and conferences and other official business.
DEPARTMENT OF THE ARMY								
Operation and maintenance							[2] 300,000	Civilian officials, other employees, and military personnel of the Department of the Army, and other authorized persons: Transportation to and from official meetings and conferences and for other official business. Instructors and personnel of the Army National Guard, Army Reserve, and Reserve Officers' Training Corps: Training and instruction.
Bus							[3] 2,100,000	Do.
Station wagon							[4] 28,000	Do.
Ambulance						[11] 1,309		Hospitals, dispensaries, and infirmaries: Transportation of patients.
Procurement of equipment and missiles, Army.	12	15,600	12		15,600	[11] 18,233		Civilian officials, other employees and military personnel of the Department of the Army, Armed Forces special weapons project, and other authorized persons: Transportation to and from official meetings and conferences, and for other official business.
Station wagon						[11] 888		Do.
Bus	541	2,830,300	541		2,830,300	5,299		Transportation of personnel among areas of certain bases where no private vehicles are authorized. Evacuation of hospital patients. Transportation from and to nearby Government housing areas. Transportation of dependent school children from military housing areas to off-base schools.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENT OF THE ARMY—con.								
Alaska Communication System: Operation and maintenance.	2	$3,000	2	----------	$3,000	7	----------	Officials, electronic specialists, and field inspectors: Transportation to and from stations and other inspection points of the system.
Total, Department of the Army.	555	2,848,900	555	----------	2,848,900	25,736	$2,428,000	
DEPARTMENT OF THE NAVY								
Navy personnel, general expenses	----------	----------	----------	----------	----------	----------	212,000	Recruiters and shore patrol duty.
Marine Corps procurement	233	349,500	183	----------	349,500	762	----------	Officers, enlisted personel, and civilian employees in the transaction of official business.
Station wagon	134	261,300	2	----------	261,300	32	----------	Do.
Bus	23	300,288	23	----------	300,288	143	----------	Do.
Bus, trailer	27	173,286	27	----------	173,286	75	----------	Do.
Marine Corps troops and facilities	----------	----------	----------	----------	----------	----------	2,900	Commandant and 2 assistant commandants of the Marine Corps in transaction of official business.
Medical care: Ambulance	43	199,950	41	----------	199,950	502	----------	Hospitals and dispensaries: Transportation of patients.
Civil engineering	1,048	1,414,800	1,048	----------	1,414,800	3,024	242,090	Used by military and civilian personnel throughout the Naval Establishment in the performance of official duties. Motor vehicles will be hired in the Washington area and certain field areas where rental from commercial facilities is determined feasible and economically advantageous to the Government.
Bus	190	1,026,600	190	----------	1,026,600	1,480	869,910	Do.
Station wagon and carryall	649	1,135,750	649	----------	1,135,750	2,119	4,000	Do.
Total, Department of the Navy.	2,347	4,861,474	2,163	----------	4,861,474	8,137	1,330,900	
DEPARTMENT OF THE AIR FORCE								
Aircraft and missile support	1,093	1,475,550	[5] 1,093	$136,625	1,338,925	3,755	----------	Military and civilian personnel: Transportation associated with meetings and conferences and other official business.
Station wagon	1,306	2,177,102	[6] 1,306	163,250	2,013,852	[7] 2,584	----------	Do.
Bus	316	1,173,308	[8] 316	63,200	1,110,108	3,247	----------	Do.
Ambulance	43	140,438	[10] 43	12,900	127,538	479	----------	Transportation of patients.
Operation and maintenance	----------	----------	----------	----------	----------	----------	143,100	Military and civilian personnel: Transportation associated with meetings and conferences and other official business.
Bus	----------	----------	----------	----------	----------	----------	2,535,000	Do.
Air National Guard	6	8,100	[9] 6	750	7,350	180	----------	Instructors and personnel of the Air National Guard: In connection with training and instruction.
Station wagon	25	41,675	----------	----------	41,675	241	----------	Do.
Bus	9	33,417	----------	----------	33,417	78	----------	Do.
Ambulance	14	45,724	----------	----------	45,724	51	----------	Transportation of patients.
Total, Department of the Air Force.	2,812	5,095,314	2,764	376,725	4,718,589	10,615	2,678,100	
Total, Department of Defense—Military Functions.	5,719	12,820,688	5,487	379,225	12,441,463	44,508	6,438,500	

[1] Items shown without an exchange allowance represent overage and wornout vehicles which are not exchanged but will be disposed of as surplus.
[2] Includes $153,000 for payment for rental from pools, $147,000 for other charges.
[3] Includes $1,300,000 for lease of 300 buses in Japan, $221,000 for charter bus service in Europe, $579,000 for charter service in continental United States which includes $121,000 for Washington, D. C., shuttle operations.
[4] Includes $15,000 for payment for rental from pools, $13,000 for other charges.
[5] In addition there are 125 sedans to be disposed of as follows: (*a*) 74 sedans are to be disposed of without replacement; (*b*) 51 sedans are to be transferred to the General Services Administration motor pool.
[6] This quantity represents carryalls which are to be replaced by 1,306 station wagons. In addition, there are 73 station wagons to be transferred to the General Services Administration motor pool.
[7] Excludes 1,291 carryalls.
[8] In addition, there are 64 buses to be disposed of without replacement.
[9] In addition, there are 4 sedans to be disposed of without replacement.
[10] In addition, there are 7 ambulances to be disposed of without replacement.
[11] Totals shown are net figures after elimination of the following vehicles to be disposed of without replacement: Sedans, 2,640; station wagons, 61; and ambulances, 38.
[12] The above figures are not comparable with similar entries for previous years, as they include a number of Government-owned, contractor-operated, indigenous, and other vehicles not included in previous reports.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENT OF THE ARMY								
Operation and maintenance	----------	----------	----------	----------	----------	88	$1,800,000	Military and civilian personnel and other Government officials: Air transportation of personnel for special missions and administrative purposes.
DEPARTMENT OF THE NAVY								
Aircraft and related procurement	10	$1,655,950	----------	----------	$1,655,950	----------	----------	Military and civilian personnel and other Government officials: Air transportation of personnel, cargo and mail, special air missions, and other administrative uses.
Aircraft and facilities	----------	----------	----------	----------	----------	294	30,271,000	Do.
DEPARTMENT OF THE AIR FORCE								
Aircraft and missile procurement	10	28,000,000	----------	----------	28,000,000	----------	----------	Do.
Operation and maintenance	----------	----------	----------	----------	----------	1,068	114,799,000	Do.
Air National Guard	----------	----------	----------	----------	----------	53	1,480,000	Military and civilian personnel and other Government officials: Air transportation of personnel for administrative purposes.
Total, Department of Defense—Military Functions.	20	29,655,950	----------	----------	29,655,950	1,503	148,350,000	

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SUMMARY OF MILITARY ASSISTANCE FUND RESERVATIONS FOR PAYMENT TO DEPARTMENT OF DEFENSE APPROPRIATIONS

	Balance of reservations, July 1, 1956	1957 fund reservations	Adjustments, 1957	Deliveries in 1957—		Balance of reservations, July 1, 1957	1958 fund reservations	Adjustments, 1958
				From reservations prior to 1957	From 1957 reservations			
Department of the Army:								
Procurement of equipment and missiles	$388,714,303	$271,876,171	$5,327,835	$197,882,737		$468,035,572	$529,190,375	−$1,781,041
Operations and maintenance	8,008,560	88,212,259	36,647,940	44,656,500	$25,049,609	63,162,650	98,452,757	163,928
Army stock fund	175,597,394	133,893,522	−41,975,775	150,821,929		116,693,212	227,081,163	1,617,113
Army industrial fund		1,325,917			128,497	1,197,420	172,705	
Total, Department of the Army	572,320,257	495,307,869		393,361,166	25,178,106	649,088,854	854,897,000	
Department of the Navy:								
Navy personnel, general expenses	6,230,951	3,338,921	−2,255,942	1,759,007	28,249	5,526,674	4,000,000	−5,600
Marine Corps troops and facilities	8,358,583	1,688,205	−4,053,347	1,030,535	2,544	4,960,362	2,000,000	148,012
Marine Corps procurement	10,881,324	3,927,652	3,685,530	6,296,671		12,197,835	10,000,000	60,711
Aircraft and facilities			250,000	250,000			1,000,000	10,217,147
Aircraft and related procurement	122,176,659	31,032,589	−7,389,349	27,090,015	92,368	118,637,516	69,322,000	−10,269,901
Ships and facilities	4,371,215	4,134,500		1,955,042	51,669	6,499,004	5,000,000	−8,000
Shipbuilding and conversion	16,959,002	2,844,163	−920,839	4,577,151	428,680	13,876,495	20,000,000	
Ordnance and facilities	750,000	1,000,000	1,257,234	2,007,234		1,000,000	1,000,000	1,838,954
Procurement of ordnance and ammunition	31,309,656	24,487,451	3,851,098	14,590,146	1,017,124	44,040,935	25,000,000	−2,038,173
Civil engineering	2,432,442	2,334,541	809,987	1,049,405		4,527,565	3,000,000	−1,914
Servicewide supply and finance	400,297	593,000		132,136		861,161	700,000	
Navy stock fund	16,117,918	8,631,137	4,723,080	8,468,727	3,876,455	17,126,953	24,710,000	51,176
Marine Corps stock fund			42,548	42,548				7,588
Total, Department of the Navy	219,988,047	84,012,159		69,248,617	5,497,089	229,254,500	165,732,000	
Department of the Air Force:								
Aircraft and missile procurement	1,332,952,418	178,661,685	−26,050,149	574,574,245		910,989,709	237,856,959	16,428,416
Aircraft and missile support	450,740,105	53,197,791		58,869,032		445,068,864	70,182,741	−14,282,741
Research and development								165,325
Operations and maintenance	66,319,376	9,336,000	26,050,149	84,495,715		17,209,810	1,569,800	−3,836,000
Air Force stock fund							12,939,500	1,525,000
Total, Department of the Air Force	1,850,011,899	241,195,476		717,938,992		1,373,268,383	322,549,000	
1959 fund reservations from appropriations proposed for later transmission.								
Total, Department of Defense—Military Functions	2,642,320,203	820,515,504		1,180,548,775	30,675,195	2,251,611,737	1,343,178,000	

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SUMMARY OF MILITARY ASSISTANCE FUND RESERVATIONS FOR PAYMENT TO DEPARTMENT OF DEFENSE APPROPRIATIONS—Continued

Deliveries in 1958—		Balance of reservations, July 1, 1958	1959 fund reservations	Adjustments, 1959	Deliveries in 1959—		Balance of reservations, July 1, 1959	
From reservations prior to 1958	From 1958 reservations				From reservations prior to 1959	From 1959 reservations		
								Department of the Army:
$324,800,000	----------	$670,644,906	----------	----------	$260,343,104	----------	$410,301,802	Procurement of equipment and missiles.
61,700,000	----------	100,079,335	----------	----------	30,729,650	----------	69,349,685	Operations and maintenance.
114,500,000	----------	230,891,488	----------	----------	140,655,121	----------	90,236,367	Army stock fund.
400,000	----------	970,125	----------	----------	970,125	----------	----------	Army industrial fund.
501,400,000	----------	1,002,585,854	----------	----------	432,698,000	----------	569,887,854	Total, Department of the Army.
								Department of the Navy:
1,775,000	$80,000	7,666,074	----------	----------	1,300,000	----------	6,366,074	Navy personnel, general expenses.
1,152,412	----------	5,955,962	----------	----------	1,400,000	----------	4,555,962	Marine Corps troops and facilities.
3,360,000	55,000	18,843,546	----------	----------	5,000,000	----------	13,843,546	Marine Corps procurement.
8,000,000	----------	3,217,147	----------	----------	3,217,147	----------	----------	Aircraft and facilities.
23,220,000	310,000	154,159,615	----------	----------	37,782,853	----------	116,376,762	Aircraft and related procurement.
2,500,000	----------	8,991,004	----------	----------	1,600,000	----------	7,391,004	Ships and facilities.
3,275,000	1,000,000	29,601,495	----------	----------	6,500,000	----------	23,101,495	Shipbuilding and conversion.
2,838,954	----------	1,000,000	----------	----------	1,000,000	----------	----------	Ordnance and facilities.
12,371,046	3,000,000	51,631,716	----------	----------	18,600,000	----------	33,031,716	Procurement of ordnance and ammunition.
2,100,000	55,000	5,370,651	----------	----------	1,600,000	----------	3,770,651	Civil engineering.
165,000	----------	1,396,161	----------	----------	750,000	----------	646,161	Servicewide supply and finance.
10,235,000	4,500,000	27,153,129	----------	----------	11,250,000	----------	15,903,129	Navy stock fund.
7,588	----------	----------	----------	----------	----------	----------	----------	Marine Corps stock fund.
71,000,000	9,000,000	314,986,500	----------	----------	90,000,000	----------	224,986,500	Total, Department of the Navy.
								Department of the Air Force:
592,926,565	----------	572,348,519	----------	----------	360,000,000	----------	212,348,519	Aircraft and missile procurement.
92,000,000	----------	408,968,864	----------	----------	210,000,000	----------	198,968,864	Aircraft and missile support.
165,325	----------	----------	----------	----------	----------	----------	----------	Research and development.
13,373,810	1,569,800	----------	----------	----------	----------	----------	----------	Operations and maintenance.
1,525,000	12,939,500	----------	----------	----------	----------	----------	----------	Air Force stock fund.
699,990,700	14,509,300	981,317,383	----------	----------	570,000,000	----------	411,317,383	Total, Department of the Air Force.
----------	----------	----------	$1,250,000,000	----------	----------	$175,000,000	1,075,000,000	**1959 fund reservations from appropriations proposed for later transmission.**
1,272,390,700	23,509,300	2,298,889,737	1,250,000,000	----------	1,092,698,000	175,000,000	2,281,191,737	Total, Department of Defense.—Military Functions.

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DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

New obligational authority recommended for the Civil Functions of the Department of Defense for 1959 is $12 million more than the estimated 1958 total of $674 million. Approximately 92% of this amount is for programs of the Corps of Engineers, but the increase over 1958 is mainly for construction by the Panama Canal Company. Estimated expenditures of $701 million will be $38 million over those for 1958 as construction progresses on projects financed in part from appropriations made in prior years.

Economic and technical development.—New obligational authority requested for administration of the Ryukyu Islands is $5 million more than in 1958. Most of the increase is for construction of utility systems to be operated by the United States Civil Administration.

Other veterans' services and administration.—The budget for the national cemetery system administered by the Department of the Army Quartermaster Corps anticipates a continued rise in numbers of interments, in grave spaces maintained, and in headstones procured, with a decrease in development and construction projects.

Conservation and development of land and water resources.—The budget request for the Corps of Engineers, Civil Functions, contemplates that construction underway will be at an orderly rate of progress on all projects. Funds are recommended to continue work on 59 navigation projects, 101 flood-control projects, and 20 multiple-purpose projects for hydroelectric power as well as flood control or navigation. It is anticipated that 20 of these projects will be completed in 1959.

No funds are recommended for starting new projects in 1959. Preliminary investigations and advance engineering and design work will be reduced. Completed projects are to be operated and maintained with strict economy but adequately to preserve their usefulness.

New obligational authority of $628 million requested for 1959 is $18 million less than for 1958. However, the estimated expenditures of $665 million in 1959 will be $35 million more than in 1958, mostly because construction on a greater number of large projects started in recent years will be at a more advanced stage. Some of the 1959 expenditures will be financed from unexpended balances from prior years. A supplemental appropriation of $7 million is anticipated in 1958 for flood fighting and emergency repair of flood-protection works.

Promotion of water transportation.—Total operating costs of the Panama Canal Company in 1959 are estimated to be higher than in 1958. The budget also anticipates an increase in the number of vessels passing through the canal and in toll revenues. Work will continue on the seventh year of a 9-year project for converting the electric power system of the Panama Canal from 25 cycles to 60 cycles. Construction is to begin in 1959 on a $20 million bridge over the Panama Canal at Balboa, pursuant to treaty legislation enacted in August 1957. The Company also plans to start in 1959 a series of improvements to the canal that will facilitate passage of the rapidly increasing volume of shipping. These improvements will take 4 years and cost an estimated $19 million.

Territories and possessions.—Operating expenses of the Canal Zone Government are estimated to increase in 1959, due largely to a provision for additional teachers and to the increased cost of operating hospital facilities. These expenses are repaid by the Panama Canal Company and by the individuals served. Capital outlays are planned for construction of a high school and an outpatient clinic to replace facilities which will be transferred to the Republic of Panama in accordance with treaty legislation, and for renovating three hospitals.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
International affairs and finance:						
152 Economic and technical development	$2,350	$3,988	$9,150	$2,565	$3,000	$6,200
Veterans' services and benefits:						
106 Other veterans' services and administration	6,924	6,815	6,915	6,699	7,000	6,959
Natural resources:						
401 Conservation and development of land and water resources	639,182	645,293	627,670	609,859	630,000	665,000
404 Conservation and development of fish and wildlife	23	25	28	24	26	24
Total, natural resources	639,204	645,318	627,698	609,883	630,026	665,024
Commerce and housing:						
511 Promotion of water transportation		750	19,250	−8,651	3,302	2,626
518 Other aids to business				−2,241	1,115	−2,026
Total, commerce and housing		750	19,250	−10,892	4,417	600
General government:						
609 Territories and possessions, and the District of Columbia	15,410	16,987	22,397	16,537	17,476	21,918
610 Other general government				14,467	350	50
Total, general government	15,410	16,987	22,397	31,005	17,826	21,968
Total, Department of Defense—Civil Functions	663,888	673,858	685,410	639,259	662,270	700,751

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE ARMY							
CEMETERIAL EXPENSES							
Current authorizations:							
Salaries and expenses	106	$6,765,000	$6,815,000	$6,915,000	$6,698,951	$6,900,000	$6,900,000
Entombment of unknown Americans of World War II and Korea	106	159,000				100,000	59,000
Total, cemeterial expenses		6,924,000	6,815,000	6,915,000	6,698,951	7,000,000	6,959,000
RIVERS AND HARBORS AND FLOOD CONTROL							
Current authorizations:							
General investigations	401	9,322,000	10,779,600	7,800,000	8,475,755	10,000,000	9,500,000
Construction, general	401	458,469,500	449,823,500	449,920,000	430,374,202	442,043,000	478,050,000
Operation and maintenance, general	401	95,900,000	103,850,000	100,000,000	101,699,679	103,000,000	101,000,000
General expenses	401	10,400,000	11,350,000	11,200,000	10,278,719	11,000,000	11,200,000
Flood control, Mississippi River and tributaries	401	62,791,000	60,715,000	57,000,000	57,540,317	60,000,000	58,500,000
United States Section, Saint Lawrence River Joint Board of Engineers	401	150,000	125,000	100,000	86,815	91,440	100,000
Niagara remedial works	401	500,000			1,077,787	287,893	
Permanent authorizations:							
Payments to States, Flood Control Act of 1954 (indefinite special account)	401	1,461,149	1,500,000	1,500,000	1,472,476	1,461,149	1,500,000
Rivers and harbors and flood control, special expense funds:							
Hydraulic mining in California, debris fund (indefinite special account)	401	36,000			22,679	16,679	
Maintenance and operation of dams and other improvements of navigable waters (indefinite special account)	401	152,127	150,000	150,000	152,127	152,127	150,000
Intragovernmental funds:							
Revolving fund, Corps of Engineers	401				−1,325,010	−53,000	
Advances and reimbursements, rivers and harbors and flood control	401				3,323	712	
Proposed for later transmission (under existing legislation):							
Operation and maintenance, general	401		7,000,000			2,000,000	5,000,000
Total, rivers and harbors and flood control		639,181,776	645,293,100	627,670,000	609,858,869	630,000,000	665,000,000
UNITED STATES SOLDIERS' HOME							
Current authorizations:							
Limitation on operation and maintenance and capital outlay (trust fund)		(6,643,000)	(4,750,000)	(5,178,000)			
ADMINISTRATION, RYUKYU ISLANDS							
Current authorizations:							
Administration	152	2,350,000	2,475,000	3,150,000	2,556,958	2,349,543	3,200,000
Construction of utility systems	152		1,513,000	6,000,000		620,000	3,000,000
Total, administration, Ryukyu Islands		2,350,000	3,988,000	9,150,000	2,556,958	2,969,543	6,200,000
PANAMA CANAL							
Current authorizations:							
Canal Zone Government:							
Operating expenses	609	15,410,000	15,765,600	17,597,000	15,475,458	15,243,000	17,070,000
Capital outlay	609		1,000,000	4,800,000	1,061,824	2,012,000	4,848,000
Panama Canal Bridge	511		750,000	19,250,000		325,000	3,100,000
Public enterprise funds:							
Panama Canal Company:							
Panama Canal Company fund	511				−8,650,652	2,977,249	−474,000
Limitation on general and administrative expenses, Panama Canal Company	511	(3,679,000)	(7,820,000)	(7,976,000)			
Proposed for later transmission (under existing legislation):							
Canal Zone Government: Operating expenses	609		221,500			221,500	
Total, Panama Canal		15,410,000	17,737,100	41,647,000	7,886,630	20,778,749	24,544,000
MISCELLANEOUS ARMY ACCOUNTS							
Current authorizations:							
Civilian relief in Korea	152				7,963	30,457	
Permanent authorizations:							
Payment to claimants, disaster at Texas City, Texas, Department of the Army (indefinite)	610				14,467,387	350,000	50,000
Public enterprise funds:							
Defense production guaranties	518				622,263	−585,000	−405,000
Total, miscellaneous Army accounts					15,097,613	−204,543	−355,000
Total, Department of the Army		663,865,776	673,833,200	685,382,000	642,099,021	660,543,749	702,348,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF THE NAVY							
Public enterprise funds:							
Defense production guaranties	518				−$1,091,340	$3,000,000	−$428,000
DEPARTMENT OF THE AIR FORCE							
Permanent authorizations:							
Wildlife conservation, etc., Eglin Field Reservation (indefinite special account)	404	$22,653	$24,600	$27,500	23,763	26,000	24,000
Public enterprise funds:							
Defense production guaranties	518				−1,772,376	−1,300,000	−1,193,000
Total, Department of the Air Force		22,653	24,600	27,500	−1,748,613	−1,274,000	−1,169,000
Total new obligational authority and budget expenditures		663,888,429	673,857,800	685,409,500	639,259,068	662,269,749	700,751,000
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$662,216,500	$664,961,700	$683,732,000	$639,259,068	$660,048,249	$695,751,000
Permanent authorizations:							
Appropriations		1,671,929	1,674,600	1,677,500			
Proposed for later transmission:							
Appropriations			7,221,500			2,221,500	5,000,000
Total new obligational authority and budget expenditures		663,888,429	673,857,800	685,409,500	639,259,068	662,269,749	700,751,000

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
DEPARTMENT OF THE ARMY										
Panama Canal: Panama Canal Company fund	511	$84,559	$86,723	$84,726	$93,210	$83,746	$85,200	−$8,651	$2,977	−$474
Defense production guaranties	518	1,155	350	295	533	935	700	622	−585	−405
DEPARTMENT OF THE NAVY										
Defense production guaranties	518	55	6,600	2,555	1,147	3,600	2,983	−1,091	3,000	−428
DEPARTMENT OF THE AIR FORCE										
Defense production guaranties	518	524	110	105	2,296	1,410	1,298	−1,772	−1,300	−1,193
Total, public enterprise funds		86,293	93,783	87,681	97,186	89,691	90,181	−10,892	4,092	−2,500

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
DEPARTMENT OF THE ARMY											
CEMETERIAL EXPENSES											
Current authorizations:											
Salaries and expenses		$1,391		$1,248		$1,163	$6,915	$5,800	$1,100		$1,178
Entombment of unknown Americans of World War II and Korea			$159	159		59			59		
Total, cemeterial expenses		1,391	159	1,407		1,222	6,915	5,800	1,159		1,178
RIVERS AND HARBORS AND FLOOD CONTROL											
Current authorizations:											
General investigations	$709	1,262	1,200	2,108	$1,680	2,888	7,800	7,000	2,500		1,188
Construction, general	60,698	181,187	92,020	209,282	87,815	217,062	449,920	290,700	187,350		188,932
Operation and maintenance, general	10,573	23,477	2,955	17,678	1,305	18,528	100,000	83,000	18,000		17,528
General expenses		644		704		889	11,200	10,315	885		889
Flood control, Mississippi River and tributaries	1,181	8,615	5,445	13,866	4,160	14,581	57,000	46,500	12,000		13,081
United States Section, Saint Lawrence River Joint Board of Engineers		7		6		14	100	86	14		14
Niagara remedial works	789	866	241	288							
Permanent authorizations:											
Payments to States, Flood Control Act of 1954 (indefinite special account)	1,472	1,472	1,461	1,461	1,500	1,500	1,500		1,500	$1,500	1,500
Rivers and harbors and flood control, special expense funds:											
Hydraulic mining in California, debris fund (indefinite special account)	3	3	14	17							
Maintenance and operation of dams and other improvements of navigable waters (indefinite special account)	152	152	152	152	150	150	150		150	150	150
Intragovernmental funds:											
Revolving fund, Corps of Engineers	7,956	28,295	6,570	29,620	6,289	29,673				6,299	29,673
Advances and reimbursements, rivers and harbors and flood control	4	4									
Proposed for later transmission (under existing legislation):											
Operation and maintenance, general						5,000			5,000		
Total, rivers and harbors and flood control	83,537	245,984	110,058	275,182	102,899	290,285	627,670	437,601	227,399	7,949	252,955
ADMINISTRATION, RYUKYU ISLANDS											
Current authorizations:											
Administration		291		219		344	3,150	2,987	213		294
Construction of utility systems						893	6,000	2,200	800	2,000	3,893
Total, administration, Ryukyu Islands		291		219		1,237	9,150	5,187	1,013	2,000	4,187
PANAMA CANAL											
Current authorizations:											
Canal Zone Government:											
Operating expenses	239	2,442		2,110		2,633	17,597	14,437	2,633		3,160
Capital outlay	2,694	2,962	1,599	1,901	666	889	4,800	4,286	562	327	841
Panama Canal Bridge					54	425	19,250	2,675	425	12,709	16,575
Public enterprise funds:											
Panama Canal Company: Panama Canal Company fund	15,017	30,880	22,868	39,531	17,305	36,554			−474	10,916	37,028
Total, Panama Canal	17,950	36,284	24,467	43,542	18,025	40,501	41,647	21,398	3,146	23,952	57,604
MISCELLANEOUS ARMY ACCOUNTS											
Current authorizations:											
Civilian relief in Korea				30							
Permanent authorizations:											
Payment to claimants, disaster at Texas City, Texas, Department of the Army (indefinite)	25,733	26,256	11,789	11,789	11,439	11,439			50	11,389	11,389
Public enterprise funds:											
Defense production guaranties	1,541	2,540	1,918	1,918	2,503	2,503			−405	2,908	2,908
Total, miscellaneous Army accounts	27,274	28,796	13,707	13,737	13,942	13,942			−355	14,297	14,297

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
DEPARTMENT OF THE NAVY											
Public enterprise funds:											
Defense production guaranties	$4,503	$6,878	$5,594	$7,969	$4,969	$4,969			−$428	$5,397	$5,397
DEPARTMENT OF THE AIR FORCE											
Permanent authorizations:											
Wildlife conservation, etc., Eglin Field Reservation (indefinite special account)	17	18	16	17	15	15	$28	$23	1	19	19
Public enterprise funds:											
Defense production guaranties	7,485	7,485	9,257	9,257	10,557	10,557			−1,193	11,750	11,750
Total, Department of the Air Force	7,502	7,503	9,273	9,274	10,572	10,572	28	23	−1,192	11,769	11,769
Total, Department of Defense—Civil Functions	140,766	327,127	163,258	351,330	150,407	362,728	685,410	470,009	230,742	65,364	347,387
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$104,260	$251,045	$117,051	$263,035	$108,784	$273,472				$28,094	$260,631
Revolving and management funds:							$685,410	$470,009	$225,742		
Public enterprise funds	28,546	47,783	39,637	58,675	35,334	54,583				30,971	57,083
Intragovernmental funds	7,960	28,299	6,570	29,620	6,289	29,673				6,299	29,673
Proposed for later transmission:											
Appropriations						5,000			5,000		
Total, Department of Defense—Civil Functions	140,766	327,127	163,258	351,330	150,407	362,728	685,410	470,009	230,742	65,364	347,387

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended:			
Appropriations	$251,045	$263,035	$273,472
Revolving and management funds	76,082	88,295	84,256
Proposed for later transmission: Appropriations			5,000
Total balances brought forward	327,127	351,330	362,728
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	662,216	664,962	683,732
Permanent authorizations: Appropriations	1,672	1,675	1,678
Total new obligational authority enacted or recommended	663,888	666,637	685,410
Proposed for later transmission: Appropriations		7,222	
Total new obligational authority	663,888	673,858	685,410
Other amounts available: Restored from certified claims account	227		
Total budget authorizations available	991,242	1,025,188	1,048,138
Expenditures:			
From obligational authority enacted or recommended in this document:			
Out of new obligational authority	639,259	660,048	470,009
Out of balances of prior obligational authority			225,742
Total expenditures from obligational authority enacted or recommended	639,259	660,048	695,751
From obligational authority proposed for later transmission:			
Out of new obligational authority		2,222	
Out of balances of prior obligational authority			5,000
Total budget expenditures	639,259	662,270	700,751
Amounts no longer available:			
Unobligated balances expiring and lapsing	277	190	
Adjustment of balances downward in expiring accounts, net	376		
Total amounts no longer available	653	190	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	263,035	273,472	260,631
Revolving and management funds	88,295	84,256	86,756
Proposed for later transmission: Appropriations		5,000	
Total balances carried forward at close of year	351,330	362,728	347,387
Obligations incurred, net	$641,119	$686,519	$770,453

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DEPARTMENT OF THE ARMY

CEMETERIAL EXPENSES

Current authorizations:

Salaries and Expenses

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of two passenger motor vehicles [for replacement only]; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, [the Surrender Tree site in Cuba,] and graves used by the Army in commercial cemeteries; [$6,815,000, of which $40,000 shall be available for additional expenses in connection with the Act of June 24, 1946 (60 Stat. 302) and the Act of August 3, 1956 (70 Stat. 1027)] *$6,915,000*: *Provided*, That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further*, That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of $17,000, but such limitation may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services exclusively for the purposes of this appropriation. (*24 U. S. C. 271, 273, 274–276, 278, 282, 288, 290; Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$6,815,000** Estimate 1959, **$6,915,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Procurement of headstones	$2,493,669	$2,444,000	$2,540,000
2. Construction and acquisition of land	548,958	440,000	235,000
3. Repair of Arlington Memorial Amphitheater	30,000		
4. Maintenance and operation	3,076,822	3,370,000	3,570,000
5. Administration	510,752	561,000	570,000
Total obligations	6,660,201	6,815,000	6,915,000
Financing:			
Unobligated balance no longer available	104,799		
Appropriation (new obligational authority)	6,765,000	6,815,000	6,915,000

1. *Procurement of headstones.*—The procurement of headstones for 3 years is shown in the table below. The increased purchases in 1959 result from the normal increase in applications anticipated on the basis of previous experience.

HEADSTONE PROCUREMENT REQUIREMENTS

	1957 actual	*1958 estimate*	*1959 estimate*
Applications from previous year	17,907	7,520	7,542
New applications	98,392	104,110	109,600
Total applications	116,299	111,630	117,142
Less applications carried forward	7,520	7,542	8,966
Total procurement	108,779	104,088	108,176

2. *Construction and acquisition of land.*—This item provides for development projects at five national cemeteries, including engineering investigations and preparation of plans for future construction.

3. *Maintenance and operation.*—The national cemetery system operates and maintains 119 installations in the continental United States, its Territories and possessions, including 85 national cemeteries, 22 soldiers lots, 5 Confederate cemeteries, 2 Confederate plots, 2 Confederate monument sites, 1 national monument site, 1 memorial park, and Government-owned burial lots in the Washington Parish Burial Ground. There will be 2,007 developed acres in the national cemetery system with 778,027 used graves and 260,547 developed grave sites in 1959. It is estimated that 26,770 burials will be made in 1958 and 29,270 in 1959 compared to 25,368 burials in 1957.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	719	760	777
	Average number of all employees	680	706	731
	Number of employees at end of year	737	760	777
	Average GS grades and salary	5.7 $4,614	5.7 $4,661	5.7 $4,717
	Average salary of ungraded positions	$3,792	$3,910	$3,909
01	Personal services:			
	Permanent positions	$2,797,485	2,967,891	$3,046,242
	Other personal services	42,450	63,309	66,983
	Total personal services	2,839,935	3,031,200	3,113,225
02	Travel	29,919	33,990	33,181
03	Transportation of things	341,517	337,665	350,494
04	Communication services	39,828	40,305	42,100
05	Rents and utility services	65,680	70,415	70,415
07	Other contractual services	390,630	390,565	390,715
08	Supplies and materials	186,350	188,185	188,185
09	Equipment	2,307,090	2,213,675	2,361,985
10	Lands and structures	487,302	363,400	214,800
11	Grants, subsidies, and contributions		173,920	177,500
13	Refunds, awards, and indemnities	10		
15	Taxes and assessments	6,020	6,680	7,400
	Subtotal	6,694,281	6,850,000	6,950,000
	Deduct quarters and subsistence charges	34,080	35,000	35,000
	Total obligations	6,660,201	6,815,000	6,915,000

Entombment of Unknown Americans of World War II and Korea

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction of tomb (total obligations)		$159,000	
Financing:			
Unobligated balance brought forward		—159,000	
Unobligated balance carried forward	$159,000		
Appropriation (new obligational authority)	159,000		

These funds appropriated in the Third Supplemental Appropriation Act, 1957, are for construction of two crypts for the entombment in Arlington National Cemetery on May 30, 1958, of two unknown American servicemen who lost their lives while serving overseas during World War II and the Korean conflict (70 Stat. 1027).

Object Classification

		1957 actual	1958 estimate	1959 estimate
10	Lands and structures		$159,000	

RIVERS AND HARBORS AND FLOOD CONTROL

Current authorizations:

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

General Investigations

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, preliminary examinations, surveys and studies (including cooperative beach erosion studies as authorized in Public Law Numbered 520, Seventy-first Congress, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, to remain available until expended, [$10,779,600] *$7,800,000.* (*33 U. S. C. 426–426c, 540, 541, 701; Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$10,779,600** Estimate 1959, **$7,800,000**

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

GENERAL INVESTIGATIONS—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Examinations and surveys:			
(a) Navigation studies	$909,926	$910,000	$710,000
(b) Flood control studies	2,738,773	3,023,932	2,125,000
(c) Beach erosion cooperative studies	96,479	91,000	126,000
(d) Special studies:			
(1) San Francisco Bay area survey	399,282	730,000	810,000
(2) Ohio River Basin review	74,633	200,000	223,000
(3) Great Lakes harbor survey	109,279	260,000	246,000
(4) Columbia River review	248,005	235,000	20,000
(5) Delaware River review	429,231	475,000	545,000
(6) Watershed Protection Act studies	10	85,000	92,000
(7) Hurricane studies	1,187,928	1,200,000	1,170,000
(8) Hudson River siltation study	83,432	100,000	165,000
(9) Potomac River review		170,000	230,000
(10) Great Lakes water levels	114,756	61,545	
(11) New England-New York survey	1,472	508	
(12) Arkansas-White and Red River Basin surveys	2,379	15	
2. Collection and study of basic data:			
(a) Stream gaging	188,000	190,000	184,000
(b) Precipitation studies	244,000	290,000	288,000
(c) Fish and wildlife studies	43,570	45,000	53,000
(d) International waters studies			34,000
3. Research and development:			
(a) Beach erosion development studies	144,958	150,000	223,000
(b) Hydrologic studies	94,830	100,000	174,000
(c) Civil works investigations	1,136,689	1,190,000	1,305,000
(d) Mississippi Basin model:			
(1) Construction	384,836	750,000	650,000
(2) Mississippi River comprehensive study			73,000
4. Tennessee-Tombigbee Waterway restudy	1,387	50,000	75,000
5. Undistributed costs	22,428	−22,728	
Total program costs	8,656,283	10,284,272	9,521,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−41,433
Obligations incurred for costs of other years, net	174,271	15,728	
Total program (obligations)	8,830,554	10,300,000	9,479,567
Financing:			
Unobligated balance brought forward	−708,521	−1,199,967	−1,679,567
Unobligated balance carried forward	1,199,967	1,679,567	
Appropriation (new obligational authority)	9,322,000	10,779,600	7,800,000

1. *Examinations and surveys.*—Preliminary examinations and surveys for navigation and flood control improvements are made to determine the need and economic justification of the proposed improvements. These studies are made in cooperation with appropriate Federal and State agencies and will be restricted to a limited number of high-priority investigations.

In addition, cooperative beach erosion investigations are conducted at specific localities. These cooperative investigations are paid for equally by the Federal Government and by State and other local agencies.

Special studies are made in cooperation with State and other Federal agencies in the interest of navigation, flood control, power and related purposes.

NUMBER OF REPORTS

Status	*1957 actual*	*1958 estimate*	*1959 estimate*
River and harbor and flood control investigations:			
Completed	89	121	65
Continued	110	78	45
Initiated	41	28	0
Cooperative beach erosion control investigations:			
Completed	8	11	4
Continued	0	2	0
Initiated	5	1	6
Special studies:			
Completed	0	1	2
Continued	3	8	7
Initiated	5	1	0

Completed reports are those acted upon by the Board of Engineers for Rivers and Harbors or the Beach Erosion Board.

2. *Collection and study of basic data.*—Funds are made available to the Weather Bureau for hydrometeorological studies and precipitation stations and to the Geological Survey for installation, operation, and maintenance of stream gaging stations. Funds are also made available to the Fish and Wildlife Service for preauthorization studies of the effect of proposed flood control and river and harbor projects upon fish and wildlife. Also, members of the Corps of Engineers will participate in a number of engineering and control boards to study and control international streams and watersheds which mutually affect the United States and bordering nations.

3. *Research and development.*—General beach erosion development studies deal with physical phenomena, techniques, basic principles, and remedial or control measures related to shore protection and improvement. The results of these studies are disseminated to other Federal, State, and local agencies and individuals using this information.

Hydrologic studies include storm studies, general hydrologic investigations, and sedimentation studies. Streamflow and rainfall data stations are operated to provide a background of information for use in future design and operation of water control projects.

Civil works investigations assist in the solution of engineering problems. The solutions are widely applicable to the design, construction, and operation and maintenance of civil works projects. The amount requested will be applied to 77 individual investigations and will provide for the operation of the research center at the Waterways Experiment Station, Vicksburg, Miss.

Construction of the Mississippi Basin model at the Waterways Experiment Station at Vicksburg, Miss., will be continued. In addition, funds are requested to begin the initial phase of a Mississippi River comprehensive study on the completed portion of the Mississippi Basin model. The primary objectives of this initial basinwide testing program are to improve the operation of the reservoir system in the Mississippi River Basin, to determine the benefits that can be expected from optimum operation of the reservoir system, and to study potential flood levels on the lower Mississippi River.

4. *Tennessee-Tombigbee Waterway restudy.*—A restudy of the economic feasibility of the Tennessee-Tombigbee Waterway will be completed with funds provided in 1957.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

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	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)	$286,365	$468,962	$491,463	$450,030
Advances (payments for goods and services not yet received)	15,099	6,773	.....	.....
Total selected resources at end of year	301,464	475,735	491,463	450,030
Selected resources at start of year (−)	.....	−301,464	−475,735	−491,463
Costs financed from obligations of other years, net (−)	.....	.....	.....	−41,433
Obligations incurred for costs of other years, net	.....	174,271	15,728	.....

Object Classification

		1957 actual		1958 estimate		1959 estimate
	CORPS OF ENGINEERS					
	Total number of permanent positions		183		186	186
	Full-time equivalent of all other positions		2		2	2
	Average number of all employees		169		173	173
	Number of employees at end of year		168		175	170
	Average GS grade and salary	7.1	$5,396	7.1	$5,419	7.1 $5,444
	Average salary of ungraded positions		$4,626		$4,676	$4,699
01	Personal services:					
	Permanent positions		$942,694		$972,207	$983,922
	Positions other than permanent		8,236		8,300	8,300
	Other personal services		71,218		73,733	73,778
	Pay and allowances to commissioned officers		14,894		7,760	6,000
	Total personal services		1,037,042		1,062,000	1,072,000
02	Travel		161,866		175,000	175,000
03	Transportation of things		7,527		8,000	8,000
04	Communication services		1,578		3,000	3,000
05	Rents and utility services		31,140		32,000	32,000
06	Printing and reproduction		14,769		21,000	24,000
07	Other contractual services		1,084,548		1,200,000	1,200,000
	Services performed by other agencies		879,630		900,000	900,000
	Services performed by "Revolving fund, Corps of Engineers"		5,311,649		6,452,700	5,620,812
08	Supplies and materials		166,586		200,000	200,000
09	Equipment		44,219		70,000	70,000
10	Lands and structures		47,261		70,000	60,000
11	Grants, subsidies, and contributions		.....		60,000	60,700
13	Refunds, awards, and indemnities		100		300	300
15	Taxes and assessments		629		1,000	1,000
	Total, Corps of Engineers		8,788,544		10,255,000	9,426,812
	ALLOCATION TO DEPARTMENT OF THE INTERIOR, BUREAU OF SPORT FISHERIES AND WILDLIFE					
	Total number of permanent positions		5		9	9
	Average number of all employees		7		8	8
	Number of employees at end of year		6		8	8
	Average GS grade and salary	7.0	$4,790	7.2	$4,760	7.7 $4,987
01	Personal services:					
	Permanent positions		$35,449		$39,810	$41,291
	Positions other than permanent		427		.....	1,500
	Other personal services		31		190	209
	Total personal services		35,907		40,000	43,000
02	Travel		3,664		3,000	3,500
03	Transportation of things		.....		.....	40
04	Communication services		341		.....	500
05	Rents and utility services		850		.....	1,000
06	Printing and reproduction		15		.....	30
07	Other contractual services		879		.....	1,280
08	Supplies and materials		107		.....	300
09	Equipment		243		.....	500
11	Grants, subsidies, and contributions		.....		2,000	2,600
15	Taxes and assessments		4		.....	5
	Total, Department of the Interior		42,010		45,000	52,755
	Total obligations		8,830,554		10,300,000	9,479,567

Construction, General

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); and not to exceed [$1,600,000] *$1,000,000* for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, [$449,398,500] *$449,920,000*: *Provided*, That funds appropriated herein may at the discretion and under the direction of the Chief of Engineers be used in payment to the accounts of the Confederated Tribes of the Yakima Reservation; the Confederated Tribes of the Warm Springs Reservation; the Confederated Tribes of the Umatilla Reservation; or other recognized Indian tribes, and those individual Indians not enrolled in any recognized tribe, but who through domicile at or in the immediate vicinity of the reservoir and through custom and usage are found to have an equitable interest in the fishery, all of whose fishing rights and interests will be impaired by the Government incident to the construction, operation, or maintenance of The Dalles Dam, Columbia River, Washington and Oregon, and must be subordinated thereto by agreement or litigation: *Provided further*, That no part of this appropriation shall be used for projects which are authorized by a law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated[: *Provided further*, That not to exceed $3,500,000 of the funds herein or hereafter provided for the Plaquemine-Morgan City alternate route, shall be available for the construction of a four-lane, high level, fixed bridge on Louisiana State Highway Numbered 1 (formerly route 168) over the extension of the Plaquemine-Morgan City route of the Gulf Intracoastal Waterway in West Baton Rouge Parish, Louisiana: *Provided further*, That the Secretary of the Army shall advance to the North Dakota State Water Conservation Commission out of funds herein or hereafter appropriated for the Garrison project, North Dakota, 50 per centum of the cost, but not to exceed $40,000, for the construction of works to improve the productivity and fertility of Government-owned lands within the Garrison Reservoir, North Dakota, formerly part of the Lewis and Clark Irrigation District, subject, however, to a mutual agreement being reached by the Chief of Engineers, the North Dakota State Water Conservation Commission, and the lessees using the land for the full repayment of the funds advanced by the Federal Government within a period of ten years: *Provided further*, That the contribution by local interests toward construction of the Ferrell's Bridge Reservoir, Texas, as required by Public Law 160, Eighty-fourth Congress, may be made in two equal installments of 50 per centum each, payable on January 1, 1958, and September 1, 1958, and that title to the proportionate share of the water supply storage authorized in said reservoir shall pass to such local interests upon completion of each of the separate payments: *Provided further*, That none of the funds appropriated for "Construction, General", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: *Provided further*, That not to exceed $4,000,000 of the funds provided herein shall be available for the construction of small authorized projects selected by the Secretary of the Army the cost of which is not in excess of $400,000 and any such project shall be completed within the funds herein appropriated]. (*16 U. S. C. 661–666, 756; 33 U. S. C. 511–523, 540, 701; 55 Stat. 638; 66 Stat. 635, 732; Public Works Appropriation Act, 1958.*)

Appropriated 1958, [a] **$449,823,500** Estimate 1959, **$449,920,000**

[a] Includes $425,000 appropriated in Supplemental Appropriation Act, 1958.

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

Program and Financing

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:									
1. Advance engineering and design	$63,970,436	$16,180,969	$9,084,446	$9,445,146	$6,852,912	$8,924,552	$8,356,710	$6,852,912	$5,500,000
Deduct amounts included in named projects below	27,387,139	8,741,071	4,686,466	1,374,093	16,912	4,179,695	787,165	16,912	
Total, advance engineering and design	36,583,297	7,439,898	4,397,980	8,071,053	6,836,000	4,744,857	7,569,545	6,836,000	5,500,000
2. Navigation projects:									
(a) Channels and harbors:									
(1) Mobile Harbor, Ala	6,388,100	801,216	2,739,886	10,000	91,898	2,346,594	10,000	91,898	
(2) Dry Pass, Alaska	1,720,000			224,000	1,496,000		224,000	1,496,000	846,000
(3) Ketchikan Harbor, Alaska	1,915,000		22,677	1,327,010	565,313	22,687	1,550,000	342,313	
(4) Kodiak Harbor, Alaska	1,440,000		22,461	1,060,000	282,539	22,461	1,180,000	162,539	
(5) Metlakatla Harbor, Alaska	289,000	284,990	1,480						
(6) Wrangell Harbor, Alaska	376,000	96,935	349,065			121,335			
(7) Arkansas River and tributaries (bank stabilization and channel rectification), Arkansas and Oklahoma	36,374,000	19,281,811	2,907,380	2,110,458	586,357	2,808,049	1,813,100	586,351	541,000
(8) Crescent City Harbor, Calif	5,122,200	3,722,869	805,579	593,752		805,650	593,681		
(9) Los Angeles and Long Beach Harbor, Calif	485,000		485,000			485,000			
(10) Playa del Rey Inlet and Harbor, Calif	3,840,000	7,100	41,345	416,500	480,024	40,983	616,500	480,024	400,000
(11) Redondo Beach Harbor, Calif	4,620,000	279,307	2,220,590	2,120,103		2,031,804	2,620,002		
(12) Sacramento River, Calif	41,000,000	2,420,431	2,437,269	2,230,995	3,560,030	2,416,889	2,131,900	3,560,030	3,000,000
(13) San Diego River and Mission Bay, Calif	10,100,000	7,300,749	217,891	1,006,617	1,474,933	332,308	992,200	1,474,933	876,000
(14) San Joaquin River (Stockton Channel), Calif	10,490,000	259,400	434,460	257,221	873,968	461,521	230,100	873,968	600,000
(15) Inland waterway, Delaware River to Chesapeake Bay, Del. and Md. (Summit Bridge)	8,250,000	99,929	343,096	1,350,086	3,040,000	986,146	1,219,038	2,940,000	2,940,000
(16) Intracoastal Waterway, Jacksonville to Miami, Fla. (Eau Gallie to Fort Pierce)	19,600,000	4,052,400	195,500	999,200	955,900	194,700	1,000,000	955,300	800,000
(17) St. Augustine Harbor, Fla	1,263,000	82,414	540,085	475,000	165,501	539,569	475,000	165,501	
(18) Tampa Harbor, Fla	12,000,000	1,265,315	3,545,491	1,664,710	1,351,500	3,531,179	2,163,000	1,351,484	1,250,000
(19) Horseshoe Cove, Fla	244,000			120,000	124,000		120,000	124,000	
(20) Savannah Harbor, Ga	415,000		5,497	409,503		5,497	409,503		
(21) Savannah River below Augusta, Ga	3,560,000		[1] 52,203	257,797	1,125,000	52,203	257,797	1,125,000	700,000
(22) Kawaihae Harbor, Hawaii	5,530,000	[1] 26,316	669,026	2,127,991	2,406,667	792,517	2,304,500	2,406,667	1,352,000
(23) Nawiliwili Harbor, Hawaii	950,000	577,837	176,115	196,048		41,280	196,048		
(24) Mississippi River between Ohio and Missouri Rivers, regulating works	59,300,000	42,083,500	247,996	449,500	552,504	247,996	502,004	500,000	500,000
(25) Missouri River:									
(i) Sioux City, Iowa, to Omaha, Nebr	110,000,000	40,365,412	6,997,091	5,531,700	4,683,000	7,314,595	5,534,400	4,682,966	4,000,000
(ii) Omaha, Nebr., to Kansas City, Mo	113,800,000	89,344,548	3,575,056	2,686,167	2,742,964	3,723,702	2,999,600	2,742,964	2,500,000
(iii) Kansas City, Mo., to mouth	121,000,000	99,910,258	3,242,941	4,034,767	3,639,925	3,435,075	4,645,000	3,639,925	3,500,000
(26) Gulf Intracoastal Waterway between Apalachee Bay, Fla., and Mexican border (New Orleans district):									
(i) Algiers lock and canal, Louisiana	15,900,000	14,565,289	210,226	328,689		113,289	277,433		
(ii) Franklin Canal, La	35,103		35,103			35,103			
(iii) Plaquemine-Morgan City alternate route, Louisiana	24,800,000	1,908,000	3,189,136	3,739,454	3,800,000	3,710,278	3,806,593	3,800,000	3,800,000
(27) Mississippi River-Gulf outlet, Louisiana	95,900,000		304,513	772,287	2,550,000	304,814	970,186	2,550,000	2,500,000
(28) Portland Harbor, Maine	1,150,000	84,785	855,462	162,253	47,500	34,257	62,616	47,500	
(29) Rockland Harbor, Maine	1,210,000		159,266	1,050,734		703,891	506,109		
(30) Boston Harbor (extension to 40-foot channel), Mass	5,400,000		731,045	861,574	1,607,381	992,619	900,000	1,607,381	1,500,000
(31) Cape Cod Canal, Mass	197,000		87,929	49,071	60,000	102,283	34,717	60,000	
(32) Chatham (Stage) Harbor, Mass	302,000		5,078	286,922	10,000	5,518	286,482	10,000	
(33) Fall River Harbor, Mass	2,000,000		345,144	954,856	700,000	500,000	800,000	700,000	600,000
(34) Mystic River, Mass	2,600,000	643,941	1,128,816	777,243		1,104,818	671,475		
(35) Nantucket Harbor of Refuge, Mass	344		344			344			
(36) Newburyport Harbor, Mass	143,000		4,840	138,160		5,380	137,620		
(37) Town River, Mass	672,000	5,849	365,420	300,731		190,396	255,366		
(38) Weymouth Fore River, Mass	6,245,000		126,702	505,103	1,393,195	131,805	500,000	1,393,195	800,000
(39) Black River Harbor, Mich	328,000	8,534	155,157	164,309		80,429	149,037		
(40) Cheboygan River and Harbor, Mich	110,000		8,337	151,663		98,363	61,637		
(41) Great Lakes connecting channels, Michigan	141,000,000	[1] 91,821	1,573,975	14,729,600	18,000,000	3,407,208	14,397,635	18,000,000	18,000,000
(42) Harrisville Harbor, Mich	1,480,000	21,759	6,432	165,559	688,000	6,441	353,559	500,000	500,000
(43) Manistique Harbor, Mich	488,000			120,000	368,000		120,000	368,000	338,000
(44) Port Austin Harbor, Mich	1,250,000	12,748	1,452	422,300	613,000	285,741	337,429	613,000	613,000
(45) Saginaw River, Mich	5,990,000		[1] 36,899	146,179	1,072,000	36,821	288,179	930,000	800,000
(46) St. Marys River, Mich	5,080,000	555	3,218	234,203	1,689,997	333,748	203,700	1,389,997	1,200,000
(47) Whitefish Point Harbor, Mich	840,000	8,945	34,741	1,200	294,000	34,766	191,234	104,000	100,000
(48) Portsmouth Harbor, N. H., and Piscataqua River, Maine and N. H	1,173,430	62,198	1,111,242			886,055			

[1] Advance engineering and design only.

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Program and Financing—Continued

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities—Continued									
2. Navigation projects—Continued									
(a) Channels and harbors—Continued									
(49) Delaware River, Philadelphia to Trenton, Pennsylvania, New Jersey, and Delaware	$111,900,000	$93,648	$5,964,636	$8,169,207	$10,100,272	$5,993,773	$8,638,907	$10,000,000	$10,000,000
(50) New York and New Jersey channels	61,900,000	41,696,628	3,746,637	4,501,846	4,000,000	3,746,093	5,202,390	4,000,000	4,000,000
(51) Barcelona Harbor, N. Y	1,150,000	15,565	23,135	293,598	293,267	197,502	212,498	200,000	200,000
(52) Jones Inlet, N. Y	1,780,000	5,000	1,470,000	305,000		1,470,000	305,000		
(53) Oswego Harbor, N. Y	2,900,000	17,365	185,435	340,706	793,000	185,435	633,706	500,000	500,000
(54) Atlantic Intracoastal Waterway between Norfolk, Va., and the St. Johns River, Fla. (Fairfield drainage district, North Carolina)	237,300	21,452	15,703	200,145		15,703	200,145		
(55) Manteo, N. C	1,490,000	2,055	410,572	177,000	68,000	389,122	177,000	68,000	
(56) Masonboro Inlet, N. C	426,000		114,586	25,400	286,014	114,586	25,400	286,014	
(57) Rollinson Channel breakwater, North Carolina	175,000	47,977	67,643			17,596			
(58) Wilmington Harbor, N. C	1,600,000	250,114	718,834	364,000	267,052	716,134	364,000	267,052	
(59) Ashtabula Harbor, Ohio	4,400,000	365,623	1,251,777	1,285,635	997,000	1,452,927	1,584,485	997,000	997,000
(60) Cleveland Harbor, Ohio	25,105,000	14,344,836	1,921,663	934,748	523,690	2,705,322	531,300	523,690	
(61) Toledo Harbor, Ohio	380,000		3,594	522,406		138,582	387,418		
(62) Chetco River, Oreg	425,000		54,373	370,627		203,420	221,580		
(63) Columbia River at mouth, Oregon and Washington	10,340,000	876,443	1,204,747	864,804	330,000	1,208,352	856,348	330,000	
(64) Skipanon Channel, Oreg	157,000		25,084	159,916		135,022	49,978		
(65) Tillamook Bay and Bar, Oreg	1,200,000	246,846	821,764	72,929	58,461	820,960	72,500	58,461	
(66) Columbia River between Vancouver, Wash., and The Dalles, Oreg	5,910,000	2,934,000		406,000	1,019,000		406,000	1,019,000	1,000,000
(67) Bullocks Point Cove, R. I	174,000		11,984	162,016		13,156	160,844		
(68) Sakonnet Harbor, R. I	600,000		302,602	177,488	119,910	412,984	67,016	119,910	
(69) Port Royal Sound to Beaufort, S. C	1,228,965	273,548	105,117	850,300		101,303	850,300		
(70) Brazos Island Harbor, Tex	6,260,000		138,687	887,000	1,404,313	385,687	940,000	1,404,313	1,400,000
(71) Galveston seawall, Texas	9,210,000			115,000	1,625,000		115,000	1,625,000	1,000,000
(72) Gulf Intercoastal Waterway:									
(i) Guadalupe River, channel to Victoria, Tex	7,908,000	200,808	76,692	137,557	618,000	76,692	137,557	618,000	470,000
(ii) Realinement route vicinity of Aransas Pass, Tex	2,950,000	225,987	1,013	123,987	976,000	1,013	123,987	976,000	430,000
(73) Houston ship channel, Texas	8,480,000	4,227,617	500,383	595,483	1,173,235	689,940	479,900	1,173,235	800,000
(74) Port Aransas-Corpus Christi Waterway, Tex.:									
(i) Tule Lake Channel	1,742,000	1,375,452	340,979	25,569		324,731	25,569		
(ii) 36-foot channel	4,950,000		67,705	666,995	825,270	67,705	966,995	825,300	800,000
(75) Sabine-Neches Waterway, Tex	9,700,000		265,180	682,027	1,277,793	653,607	293,600	1,277,793	800,000
(76) Norfolk Harbor, Va.:									
(i) Widening 40-foot channel	5,510,000			590,000	1,900,000		890,000	1,900,000	1,200,000
(ii) Craney Island disposal area	6,500,000	3,230,274	2,754,275	515,451		1,987,873	147,177		
(77) Thimble Shoal Channel, Va	1,300,000		677,744	142,256		677,744	142,256		
(78) Waterway, coast of Virginia, Chesapeake Bay to Chincoteague Bay	1,030,000	107,298	189,767	560,273	149,960	294,340	455,700	149,960	
(79) Bellingham Harbor, Wash	1,450,000	112,000	18,753	1,300,200	59,047	66,753	1,252,200	59,047	
(80) Blaine Harbor, Wash	471,000		38,249	319,800	112,951	101,749	256,300	112,951	
(81) Columbia River at Baker Bay, Wash	601,000		20,001	480,985	100,014	63,286	437,700	100,014	
(82) Everett Harbor and Snohomish River, Wash	436,000		77,272	293,766	64,962	105,238	265,800	64,962	
(83) Grays Harbor and Chehalis River, Wash.:									
(i) 30-foot channel to Cosmopolis	260,544	279,521	−18,977						
(ii) Point Chehalis	1,750,000	1,208,281	216		127,503	216		127,503	
(iii) Westhaven breakwater extension	370,000		17,444	334,556		52,244	299,756		
(84) Port Angeles Harbor, Wash	396,000			96,000	300,000		96,000	300,000	
(85) Shilshole Bay, Wash	2,300,000	12,322	498,357	1,688,000	101,321	498,357	1,688,000	101,322	
(86) Willapa River and Harbor and Naselle River, Wash	955,000		15,906	469,094	270,000	99,731	585,269	270,000	270,000
(87) Sheboygan Harbor, Wis	201,500	9,110	192,390			192,390			
(88) Minor completion items	74,017,961	63,271,460	8,441,329	1,658,681	146,491	7,224,775	442,174	146,491	
Total, channels and harbors	1,276,502,447	465,128,391	75,488,848	89,587,696	93,179,622	79,457,060	90,086,135	91,375,954	78,423,000
(b) Locks and dams:									
(1) Demopolis lock and dam, Alabama	19,610,000	19,299,613	79,579	67,536	82,320	119,238	24,400	82,320	
(2) Jackson lock and dam, Alabama	23,600,000	122,214	661,712	654,756	5,454,718	776,068	1,106,000	5,454,718	5,000,000
(3) Warrior lock and dam, Alabama	12,638,000	2,486,497	6,760,332	3,292,559	98,617	5,396,800	2,125,000	98,617	
(4) Illinois Waterway, Ill. (Calumet-Sag modification, Lake Calumet to Sag Junction)	79,100,000	2,049,408	2,886,479	7,256,656	11,398,614	3,455,508	5,799,500	8,393,968	6,000,000
(5) Mississippi River between the Missouri River and Minneapolis, Minn.:									
(i) St. Anthony Falls, Minn	33,300,000	10,038,443	295,302	1,711,524	570,030	292,013	2,061,400	570,030	400,000
(ii) Lock No. 19, Keokuk, Iowa	12,900,000	11,137,105	1,510,967	182,999		1,292,929	109,689		
(iii) Rectification of damages	5,060,000	2,203,096	64,176	65,728	65,000	64,176	65,728	65,000	65,000
(6) Markland lock and dam, Indiana, Kentucky, and Ohio	71,300,000	1,360,856	5,610,734	8,341,215	11,331,105	5,392,854	8,997,900	11,321,105	11,000,000
(7) Green River Channel, Ky	2,205,000	976,970	335,917	661,196		128,472	138,641		
(8) Green River locks and dams Nos. 1 and 2, Kentucky	9,370,000	8,757,896	500,463	48,170	63,471	238,385	43,000	63,471	

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

Program and Financing—Continued

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities—Continued									
2. Navigation projects—Continued									
(*b*) Locks and dams—Continued									
(9) Ohio River locks and dams:									
(i) New Cumberland locks and dams, Ohio and West Virginia	$43,500,000	$2,973,273	$5,975,449	$9,570,278	$10,325,000	$6,223,934	$6,861,281	$10,000,000	$10,000,000
(ii) Greenup locks and dams, Kentucky and Ohio	62,200,000	6,024,550	8,120,360	11,342,109	11,259,991	8,965,356	9,674,700	11,224,992	8,500,000
(iii) Lock and dam 41, Kentucky and Indiana	50,400,000	157,804	755,699	1,612,111	6,467,386	979,308	1,582,700	6,475,386	5,000,000
(10) New Richmond locks and dam, Kentucky and Ohio	74,300,000	----------	[1] 65,633	594,367	3,160,000	67,353	792,647	3,160,000	3,000,000
(11) Great Lakes-Hudson River Waterway, N. Y	38,950,000	22,781,623	238,672	205,201	140,000	238,669	205,204	140,000	110,000
(12) Dam 8, Monongahela River, Pa	3,840,000	[1] 53,467	[1] 66,422	395,114	1,900,000	59,127	392,409	1,900,000	1,400,000
(13) Hildebrand lock and dam, West Virginia	13,200,000	571,360	3,248,764	4,216,899	2,360,000	2,939,224	4,761,400	2,359,977	2,000,000
(14) Minor completion items	63,247,327	63,188,133	50,446	8,748	----------	49,848	8,748	----------	----------
Total, locks and dams	618,720,327	154,182,308	37,227,106	50,227,166	64,676,252	36,679,262	44,750,347	61,309,584	52,475,000
3. Alteration of bridges over navigable waters:									
(1) Removal of West Basin Bridge, Los Angeles, Calif	120,000	----------	----------	120,000	----------	115,000	5,000	----------	----------
(2) Wabash Railroad bridges at Meredosia and Valley City, Ill	2,820,000	59,400	39,152	452,166	1,026,324	59,793	511,400	1,026,324	750,000
(3) Houghton-Hancock Bridge, Mich	4,930,000	----------	2,719	323,300	1,003,981	2,719	323,300	1,003,980	700,000
(4) Staten Island Rapid Transit Bridge, N. Y. and N. J	8,160,000	95,942	1,171,002	994,235	3,735,000	1,778,558	312,719	2,910,000	1,860,000
(5) Corpus Christi Bridge, Tex	4,790,000	10,310	374,714	1,512,746	2,167,230	1,415,460	797,000	1,342,230	915,000
(6) Norfolk and Portsmouth Belt Line R. R. Bridge, Norfolk Harbor, Va	2,340,000	69,577	251,540	1,078,883	240,000	1,001,118	304,522	240,000	240,000
Total, alteration of bridges	23,160,000	235,229	1,839,127	4,481,330	8,172,535	4,372,648	2,253,941	6,522,534	4,465,000
4. Beach erosion control projects:									
(1) Sherwood Island State Park, Conn	169,000	1,051	22,259	135,690	----------	154,581	3,368	----------	----------
(2) Revere Beach, Mass	430,000	----------	73,800	----------	----------	73,800	----------	----------	----------
(3) Winthrop Beach, Mass	340,000	150,168	4,191	55,641	----------	4,191	55,641	----------	----------
(4) Hampton Beach, N. H	125,000	123,653	1,120	227	----------	1,120	227	----------	----------
(5) Cold Spring Inlet (Cape May), N. J	38,000	23,955	−998	15,043	----------	----------	15,043	----------	----------
(6) Ocean City, N. J	86,648	----------	85,303	1,345	----------	85,303	1,345	----------	----------
(7) Atlantic City, N. J	2,343,000	710,486	41,453	154,061	----------	33,577	154,061	----------	----------
(8) Presque Isle, Pa	817,100	527,501	289,599	6,767	----------	217,090	6,767	----------	----------
(9) Sand Hill Cove Beach, R. I	90,000	----------	39,342	658	----------	39,342	658	----------	----------
Total, beach erosion control	4,438,748	1,536,814	556,069	369,432	----------	609,004	237,110	----------	----------
5. Flood control projects:									
(*a*) Local protection:									
(I) Projects specifically authorized by Congress:									
(1) Calion, Ark	840,000	24,144	97,792	379,100	148,964	158,292	318,600	148,964	----------
(2) Walnut Bayou, Ark	800,000	----------	[1] 19,244	69,756	711,000	19,623	69,377	711,000	575,000
(3) American River levees, California	2,590,033	[1] 57,964	224,536	2,057,500	250,033	267,733	1,744,200	250,033	----------
(4) Devil, East Twin, Warm, and Lytle Creeks, Calif	14,300,000	419,058	657,360	1,088,453	1,240,129	577,840	1,230,000	1,240,129	800,000
(5) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)	338,000,000	144,555,720	16,626,704	17,257,817	17,836,193	16,272,049	18,052,900	16,812,593	16,500,000
(6) Lower San Joaquin River and tributaries, California	11,900,000	458,119	850,881	709,175	1,037,995	746,256	797,800	1,037,995	800,000
(7) Middle Creek, Calif	1,400,000	----------	69,541	171,459	750,000	82,463	158,537	750,000	600,000
(8) Riverside levees, California	2,100,000	136,264	630,608	1,333,175	9,953	572,657	1,332,600	9,953	----------
(9) Sacramento River flood control, California	75,700,000	51,919,118	3,257,782	3,281,764	2,942,837	2,248,058	3,300,000	2,942,837	2,500,000
(10) Sacramento River and major and minor tributaries, California	22,000,000	1,900,141	158,459	656,500	885,041	158,459	656,500	885,041	750,000
(11) San Antonio and Chino Creeks, Calif	12,300,000	566,366	2,399,392	2,807,566	2,076,634	2,406,558	3,215,800	2,044,034	2,000,000
(12) San Lorenzo Creek, Calif	4,412,000	39,242	58,117	382,641	1,740,000	56,525	382,641	1,740,000	1,400,000
(13) San Lorenzo River, Calif	3,879,000	----------	179,240	741,714	1,986,046	179,854	1,141,100	1,986,046	1,800,000
(14) Norwich, Conn	1,340,100	643,100	4,087	506,200	186,713	565,587	48,900	82,513	----------
(15) Anacostia River, D. C. and Md	5,610,000	2,701,143	2,145,709	763,148	----------	1,381,011	300,989	----------	----------
(16) Central and southern Florida	235,955,000	28,973,042	7,287,551	5,643,407	5,830,000	7,637,567	4,862,500	5,829,945	5,000,000

[1] Advance engineering and design only.

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Program and Financing—Continued

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities—Continued									
5. Flood control projects—Continued									
(a) Local protection—Continued									
(I) Projects specifically authorized by Congress—Con.									
(17) Portneuf River and Marsh Creek, Idaho (Pocatello unit)	$1,260,000	$73,086	$193			$193			
(18) Beardstown, Ill	4,970,000	1,261,000	128,126	$206,050	$464,814	123,856	$206,000	$464,814	
(19) Clear Creek drainage and levee district, Illinois	5,050,000	3,246,400	304,759	289,020	236,000	386,105	365,901	236,000	$236,000
(20) Columbia drainage and levee district, Illinois	2,900,991	2,644,500	161,820	59,700	34,971	131,820	59,700	34,971	
(21) East St. Louis and vicinity, Illinois	21,900,000	6,951,700	1,443,939	1,327,588	1,581,004	1,493,336	1,627,800	1,581,004	1,500,000
(22) Grand Tower drainage and levee district, Illinois	4,660,000	4,596,600	35,923	14,437	118,112		14,400	118,112	
(23) Preston drainage and levee district, Illinois	1,975,000	1,856,700	5,360	33,225	251,749		33,200	251,749	
(24) Wilson and Wenkel and Prairie du Pont drainage and levee district, Illinois	4,800,000	2,073,200	925,740	494,165	448,997	895,778	758,800	448,997	400,000
(25) Wood River drainage and levee district, Illinois	15,000,000	8,873,800	775,648	620,468	915,073	757,968	760,600	915,073	800,000
(26) New Harmony Bridge (bank protection), Illinois and Indiana	680,000		23,871	325,555	387,574	95,226	254,200	387,574	
(27) Vincennes, Ind	4,820,000	1,525,173	27,118	639,461	880,248	703,329	78,100	250,348	
(28) Little Sioux River, Iowa	15,500,000	466,197	1,652,500	1,883,370	1,700,000	2,011,818	2,068,670	1,700,000	1,700,000
(29) Muscatine, Iowa	906,000	[1] 51,923	53,620	324,451	476,006	115,471	262,600	476,006	226,000
(30) Sabula, Iowa	429,000	[1] 26,698	81,792	298,810		287,665	92,637		
(31) Upper Iowa River, Iowa	943,000	[1] 14,193	160,783	639,975	28,049	306,358	494,400	28,049	
(32) Abilene, Kans	830,000	26,897	18,045	437,600	347,458	16,733	437,600	347,458	200,000
(33) Kansas Cities on the Missouri and Kansas Rivers, Kans. and Mo	44,300,000	36,636,574	872,173	875,400	662,029	937,265	471,200	295,524	
(34) Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	178,000,000	28,045,463	2,271,346	2,705,854	3,634,905	2,678,713	2,697,400	3,634,905	2,800,000
(35) Ottawa, Kans	3,380,000	[1] 27,084	[1] 55,515	237,401	870,000	56,460	237,401	870,000	600,000
(36) Salina, Kans	2,190,000	71,558	171,097	488,721	840,125	269,376	390,500	840,125	600,000
(37) Topeka, Kans	16,230,000	801,534	152,023	1,139,843	2,514,451	236,218	1,257,400	2,514,451	2,200,000
(38) Wichita and Valley Center, Kans	12,200,000	7,527,148	2,344,452	1,844,370	9,042	1,335,359	1,634,500	9,042	
(39) Barbourville, Ky	1,780,000	488,380	436,356	515,207	340,056	743,011	308,800	195,056	
(40) Catlettsburg, Ky	4,150,000	421,903	1,041,543	1,133,709	1,152,445	1,064,982	1,491,300	1,152,045	642,000
(41) Louisville, Ky	24,720,000	24,062,978	336,820	211,637	45,763	122,646	92,700	45,763	
(42) Pineville, Ky	1,670,000	1,137,941	394,190	137,869		322,495	53,356		
(43) Amite River and tributaries, Louisiana	3,127,500		44,967	831,553	660,993	172,507	1,104,000	660,993	600,000
(44) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark	9,670,000	5,648,349	476,238	709,882	300,000	598,804	759,159	300,000	300,000
(45) Cumberland, Md., and Ridgley, W. Va	15,150,000	7,100,796	2,752,481	2,685,895	2,011,000	3,377,930	2,022,070	2,011,000	2,011,000
(46) Adams, Mass	6,000,000	2,410,266	2,457,935	1,131,799		2,315,997	1,133,523		
(47) North Adams, Mass	15,600,000	1,851,678	1,876,220	3,574,102	3,700,000	2,066,613	3,714,218	3,700,000	3,700,000
(48) Worcester, Mass	5,270,000	110,619	181,866	1,777,251	2,000,000	566,189	1,774,445	2,000,000	2,000,000
(49) Battle Creek, Mich	6,170,000	[1] 3,082	185,976	1,030,854	1,995,046	475,748	941,100	1,995,046	1,200,000
(50) Red Lake and Clearwater River, Minn	2,834,031	2,761,031	44	11,000	71,956	44	11,000	71,956	
(51) Red River of the North, Minn., S. Dak., and N. Dak	5,800,000	3,868,405	611,084	251,399	500,000	487,369	440,915	500,000	500,000
(52) Canton, Mo	1,060,000	[1] 36,585	53,273	23,142	327,000	52,973	34,142	241,000	100,000
(53) Cape Girardeau, Mo	5,800,000	620,400	852,414	1,106,213	1,378,966	911,415	1,415,300	1,374,966	1,300,000
(54) Perry County drainage and levee districts Nos. 1, 2, and 3, Missouri	6,690,000	4,404,900	593,371	312,133		620,058	181,408		
(55) Missouri River, Kenslers Bend to Sioux City, Nebr., S. Dak., and Iowa	11,200,000	5,443,548	1,085,410	1,518,700	939,969	1,364,704	1,599,600	939,969	800,000
(56) Albuquerque, N. Mex.	10,169,000	[1] 48,089	[1] 179,042	202,869	1,215,000	180,274	202,461	1,215,000	775,000
(57) Artesia, N. Mex	720,000	[1] 29,642	[1] 24,466	300,892	245,000	24,242	301,005	245,000	
(58) Endicott, Johnson City, and Vestal, N. Y	6,100,000	176,720	525,410	1,257,870	1,000,000	833,715	1,446,565	1,000,000	1,000,000
(59) Wellsville, N. Y	1,014,000	88,872	449,628	475,507		231,101	374,034		
(60) Lower Heart River, N. Dak	1,750,000	[1] 5,957	[1] 62,862	100,481	620,700	63,372	99,971	620,700	500,000
(61) Mandan, N. Dak	666,700	484,722	13,151	118,500	51,327	12,976	161,000	8,827	
(62) Marmarth, N. Dak	260,000	[1] 19,755	[1] 1,827	144,818	73,600	1,767	144,818	73,600	
(63) Roseville, Ohio	1,070,000	73,910		200,000	190,000		200,000	190,000	
(64) Oklahoma City floodway, Oklahoma	8,377,012	5,499,862	2,104,938	694,588	77,624	1,489,044	270,000	77,624	
(65) Amazon Creek, Oreg	1,183,300	620,160	−16,950	329,506	249,984	104,856	207,700	249,984	
(66) Johnson Creek, Oreg	535,000	[1] 17,522	14,121	9,500	135,857	14,122	9,500	135,857	

[1] Advance engineering and design only.

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

Program and Financing—Continued

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities—Continued									
5. Flood control projects—Continued									
(a) Local protection—Continued									
(I) Projects specifically authorized by Congress—Continued									
(67) Multnomah drainage No. 1, Oregon	$2,210,000		[1] $41,180	$351,820	$750,000	$41,180	$351,820	$750,000	$600,000
(68) Pendleton, Oreg	445,700	[1] $20,096	[1] 25,482	96,222	303,900	25,482	96,222	303,900	
(69) Willamette River Basin (bank protection), Oreg	11,800,000	5,985,860	262,192	304,373	300,000	293,411	457,191	300,000	300,000
(70) Allentown, Pa	2,210,000	131,708	[1] 44,912	232,380	830,000	55,000	220,000	830,000	700,000
(71) Bradford, Pa	8,200,000	288,285	365,191	1,075,501	2,330,023	616,192	1,240,600	2,330,023	2,200,000
(72) Reynoldsville, Pa	421,000	[1] 32,054	154,505	234,441		330,986	57,930		
(73) Woonsocket, R. I	4,800,000	98,497	366,382	1,810,024	1,600,097	570,345	1,550,000	1,600,097	1,200,000
(74) Sioux Falls, S. Dak	4,300,000	274,402	847,279	928,400	1,249,970	797,009	1,157,800	1,249,970	1,200,000
(75) Lake City, Tenn	655,000		[1] 15,210	79,090	560,700	15,210	79,090	560,700	295,000
(76) Memphis, Wolf River, and Nonconnah Creek, Tenn	11,300,000	9,936,726	438,786	130,070	512,119	236,807	400,000	237,119	
(77) Buffalo Bayou, Tex	50,230,000	8,723,936	5,549,964	3,594,561	2,756,995	6,730,025	3,034,500	2,536,995	2,500,000
(78) Dallas Floodway, Tex	8,351,470	5,432,149	1,819,811	1,099,510		2,168,838	508,097		
(79) San Antonio Channel, Tex	15,380,000	97,440	112,551	680,009	1,000,000	113,801	978,693	1,000,000	1,000,000
(80) Salt Lake City, Utah	1,720,000	[1] 46,686	[1] 26,714	135,022	392,000	29,469	232,267	392,000	300,000
(81) Greybull, Wyo	340,000	44,028	4,823	99,964	191,913	4,944	256,100	34,913	
(82) Jackson Hole, Wyo	2,360,000	95,346	31,480	271,174	400,000	31,301	371,122	400,000	400,000
(83) Sheridan, Wyo	2,590,000		[1] 61,277	120,423	483,300	61,651	120,049	483,300	400,000
(84) Minor completion items	154,560,485	150,670,367	2,621,640	1,013,478	55,000	1,903,905	771,459	55,000	
(II) Projects not specifically authorized by Congress	10,990,178		1,143,644	4,585,637	2,760,897	1,254,045	4,809,664	2,267,178	1,000,000
(III) Emergency bank protection	1,194,615		109,803	582,641	302,171	140,493	532,461	302,171	100,000
(IV) Snagging and clearing	2,219,164		489,594	886,070	443,500	492,537	990,490	400,000	400,000
Total, local protection	1,530,864,279	588,504,501	77,603,949	91,842,525	90,537,016	80,301,164	90,525,098	86,913,037	72,010,000
Reservoirs:									
(1) Painted Rock Reservoir, Ariz	19,000,000	709,971	498,657	4,186,185	6,419,315	303,615	4,682,200	6,204,015	6,000,000
(2) Whitlow Ranch Reservoir, Ariz	4,620,000		[1] 86,744	203,256	967,000	88,683	358,317	810,000	800,000
(3) Carbon Canyon Reservoir, Calif	5,820,000	[1] 191,641	[1] 73,214	271,975	1,778,300	71,234	271,975	1,778,300	1,500,000
(4) Russian River Reservoir, Calif	13,002,000	985,848	2,184,926	4,265,226	2,450,000	2,114,995	5,059,041	2,450,000	2,450,000
(5) Success Reservoir, Calif	14,400,000	524,197	1,525,905	2,236,201	2,753,010	1,677,145	2,060,200	2,753,010	2,000,000
(6) Terminus Reservoir, Calif	23,100,000	385,436	293,964	1,004,370	3,459,685	389,816	1,308,500	3,459,685	3,100,000
(7) Whittier Narrows Reservoir, Calif	32,175,000	29,047,803	2,266,755	860,442		2,170,136	854,196		
(8) Thomaston Reservoir, Conn	17,500,000	123,628	482,944	2,261,609	3,796,862	513,339	2,396,100	3,796,862	3,000,000
(9) Lucky Peak Reservoir, Idaho	20,600,000	18,029,510	147,529	577,951		110,003	538,000		
(10) Carlyle Reservoir, Ill	33,270,000	[1] 148,300	[1] 222,424	249,268	870,000	221,466	248,972	870,000	800,000
(11) Mansfield Reservoir, Ind	7,970,000	[1] 192,803	548,704	1,103,121	2,835,840	551,652	1,302,300	2,831,928	2,600,000
(12) Coralville Reservoir, Iowa	15,160,000	9,305,912	3,454,291	2,249,946		2,395,080	1,912,805		
(13) Toronto Reservoir, Kans	14,700,000	2,230,276	4,041,224	5,125,554	2,848,600	3,468,601	4,958,203	2,843,100	2,400,000
(14) Tuttle Creek Reservoir, Kans	92,300,000	8,248,218	7,450,763	8,544,666	16,134,233	6,169,615	6,731,000	16,046,933	12,500,000
(15) Buckhorn Reservoir, Ky	10,600,000	134,760	652,485	1,534,684	3,736,571	783,746	1,607,600	3,731,332	3,500,000
(16) Rough River Reservoir and Channel, Ky	9,080,000	448,635	1,138,958	2,467,299	3,443,949	1,174,206	2,293,500	3,440,671	2,900,000
(17) Barre Falls Reservoir, Mass	2,060,000	326,889	769,157	933,954	30,000	1,166,672	346,000	30,000	
(18) Buffumville Reservoir, Mass	2,800,000	218,097	1,138,270	1,443,271		1,394,421	1,167,800		
(19) East Brimfield Reservoir, Mass	7,300,000	134,701	238,260	1,614,568	3,012,413	458,920	1,550,000	3,012,413	2,800,000
(20) Hodges Village Reservoir, Mass	5,300,000	[1] 32,646	243,611	1,608,431	3,055,312	206,438	1,800,000	3,055,312	2,700,000
(21) Pomme de Terre Reservoir, Mo	18,700,000	527,502	676,152	1,712,512	3,131,336	888,764	1,899,900	3,131,336	3,000,000
(22) Mathews Canyon Reservoir, Nev	780,000	[1] 66,472	240,500	473,028		248,493	465,035		
(23) Pine Canyon Reservoir, Nev	920,000	39,355	196,106	684,539		195,640	684,156		
(24) Hopkinton-Everett Reservoir, N. H	34,400,000	[1] 67,131	[1] 8,691	540,997	1,200,312	16,688	633,000	1,200,312	1,200,000
(25) Otter Brook Reservoir, N. H	3,950,000	223,422	1,248,146	1,638,432	320,000	1,253,435	2,000,015	320,000	320,000
(26) Chamita (Abiquiu) Reservoir, N. Mex	19,400,000	647,546	2,482,311	2,031,433	1,250,000	2,504,617	2,497,749	1,250,000	1,250,000
(27) Dillon Reservoir, Ohio	29,400,000	8,825,689	1,145,511	3,282,590	5,504,910	1,296,961	3,471,900	5,481,710	5,000,000
(28) Keystone Reservoir, Okla	137,000,000	688,837	997,363	1,780,155	5,197,911	1,199,290	1,633,500	5,197,911	4,000,000
(29) Oologah Reservoir, Okla	31,400,000	886,270	1,822,556	4,870,094	13,886,960	1,994,971	5,502,300	12,661,160	10,000,000
(30) Allegheny River Reservoir, Pa. and N. Y	101,000,000	[1] 240,876	[1] 317,091	943,525	1,000,000	415,017	1,034,313	1,000,000	1,000,000
(31) Bear Creek Reservoir, Pa	11,700,000	670,319	1,525,044	2,422,566	1,840,022	2,201,215	1,983,900	1,840,022	1,740,000
(32) Conemaugh River Reservoir, Pa	45,820,000	45,356,715	227,406	78,308	57,341	57,812	67,200	57,341	
(33) Dyberry Reservoir, Pa	4,500,000	222,141	328,088	1,231,720	1,589,977	597,149	1,240,200	1,589,977	1,400,000
(34) Prompton Reservoir, Pa	5,000,000	214,551	220,755	808,800	1,241,803	211,243	1,072,200	1,240,012	1,100,000
(35) Stillwater Reservoir, Pa	9,000,000	194,399	621,787	1,252,888	1,859,926	603,949	1,290,200	1,859,926	1,300,000
(36) Canyon Reservoir, Tex	14,000,000	625,287	367,821	259,820	1,501,700	355,199	100,008	1,664,700	500,000
(37) Cooper Reservoir and channels, Texas	13,350,000		[1] 111,639	413,361	850,000	132,400	492,600	850,000	800,000
(38) Ferrells Bridge Reservoir, Tex	11,800,000	3,489,448	4,512,507	3,623,100	174,943	3,791,646	3,225,300	174,943	
(39) Lewisville Reservoir, Tex	17,033,600	16,705,686	183,877	112,049	31,988	174,305	34,500	31,988	
(40) Texarkana Reservoir, Tex	33,800,000	29,798,153	2,025,498	975,800	677,054	479,694	80,000	677,054	

[1] Advance engineering and design only.

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Program and Financing—Continued

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:—Continued									
5. Flood control projects—Continued									
(b) Reservoirs—Continued									
(41) Waco Reservoir, Tex	$43,450,000	[1] $77,511	[1] $157,836	$199,653	$1,015,000	$161,716	$189,018	$1,015,000	$1,000,000
(42) Ball Mountain Reservoir, Vt.	10,900,000	628,908	724,021	2,115,806	2,861,265	1,310,462	1,900,000	2,861,265	2,700,000
(43) East Barre Reservoir, Vt.	2,200,000	[1] 118,757	387,483	815,661	678,000	790,955	609,189	678,000	678,000
(44) North Hartland Reservoir, Vt.	11,800,000	[1] 74,150	[1] 149,564	672,246	2,570,000	121,333	766,993	2,570,000	2,300,000
(45) North Springfield Reservoir, Vt.	9,850,000	[1] 43,390	611,315	779,849	2,194,451	599,860	1,123,300	2,194,451	2,000,000
(46) Townshend Reservoir, Vt.	10,200,000	[1] 128,124	489,576	1,092,766	1,620,041	609,989	1,320,400	1,620,041	1,500,000
(47) Waterbury Reservoir, Vt.	860,253	[1] 46,631	357,525	456,097		661,464	147,560		
(48) Wrightsville Reservoir, Vt.	1,175,000	[1] 117,191	405,744	602,705		914,857	85,907		
(49) Eagle Gorge Reservoir, Wash.	27,700,000	1,441,828	4,126,156	8,381,158	6,003,000	5,046,416	7,973,584	6,000,000	6,000,000
(50) Sutton Reservoir, W. Va.	33,400,000	3,314,136	4,698,192	7,501,500	11,496,000	4,835,710	8,000,074	11,450,000	11,450,000
(51) Minor completion items	319,033,734	316,729,264	1,295,684	1,008,786		1,307,909	833,573		
Total, reservoirs	1,364,279,587	503,628,960	60,120,730	95,503,921	127,345,030	60,408,942	93,804,283	125,730,710	109,288,600
6. Multiple-purpose projects, including power:									
(1) Fort Gaines lock and dam, Alabama and Georgia	85,500,000	2,122,022	2,675,267	4,852,169	11,037,342	2,863,483	5,241,900	11,037,342	10,000,000
(2) Bull Shoals Reservoir, Ark. and Mo.	6,500,000			70,000	540,000		70,000	540,000	500,000
(3) Dardanelle lock and dam, Arkansas	94,600,000	500,666	433,161	694,630	1,772,346	443,180	1,011,000	1,775,346	1,500,000
(4) Greers Ferry Reservoir, Ark.	52,100,000	386,152	604,655	948,191	2,190,267	678,443	1,537,700	2,235,267	2,000,000
(5) Jim Woodruff lock and dam, Florida and Georgia, part of Apalachicola, Chattahoochee, and Flint Rivers system, Alabama, Florida, and Georgia	46,380,000	42,445,605	2,127,160	592,248	82	1,888,989	317,508	82	
(6) Buford Dam, Ga., part of Apalachicola, Chattahoochee, and Flint Rivers system, Alabama, Florida, and Georgia	40,420,000	31,409,626	6,285,299	1,599,233	69,842	4,459,895	728,900	69,842	
(7) Hartwell Reservoir, Ga. and S. C.	93,000,000	3,670,958	3,244,626	5,596,016	10,924,999	3,970,388	5,124,500	10,924,999	10,000,000
(8) Albeni Falls Reservoir, Idaho	31,100,000	29,901,309	340,793	245,049		326,915	210,807		
(9) Barkley Dam, Ky. and Tenn.	174,000,000	271,577	960,330	4,328,993	8,600,000	1,151,183	4,952,422	8,600,000	8,500,000
(10) Table Rock Reservoir, Mo. and Ark.	69,600,000	19,391,805	15,609,958	16,504,706	12,397,000	14,573,437	17,091,156	12,400,000	12,400,000
(11) Fort Peck Dam, Mont. (2d powerplant)	27,200,000	615,152	554,845	2,572,807	6,063,197	568,922	2,950,000	6,063,196	6,000,000
(12) Gavins Point Reservoir, Nebr. and S. Dak	47,800,000	42,066,309	3,044,732	802,743		1,376,846	207,404		
(13) Garrison Reservoir, N. Dak.	294,000,000	248,286,024	7,581,064	11,596,368	10,004,944	9,165,170	8,760,000	9,519,644	9,000,000
(14) Eufaula Reservoir, Okla.	154,000,000	1,299,860	947,940	2,746,951	6,291,200	1,236,239	2,506,800	6,291,275	4,500,000
(15) Cougar Reservoir, Oreg.	41,400,000	604,880	1,589,483	3,514,080	7,386,394	1,770,587	3,400,000	7,616,394	5,500,000
(16) Hills Creek Reservoir, Oreg.	49,000,000	958,858	2,081,431	4,053,546	10,802,958	2,254,577	4,809,958	11,000,000	11,000,000
(17) Lookout Point Reservoir, Oreg.	87,870,000	85,865,203	259,570	689,126		275,142	530,300		
(18) McNary lock and dam, Oregon and Washington	286,815,000	279,818,776	2,722,288	1,747,747	310	2,439,059	1,174,300	310	
(19) The Dalles lock and dam, Oregon and Washington	255,000,000	151,626,315	55,266,098	17,567,239	13,665,390	53,616,998	18,036,547	13,695,390	13,000,000
(20) Fort Randall Reservoir, S. Dak.	185,918,300	183,281,004	966,106	856,958	859,402	933,744	365,000	626,500	
(21) Oahe Reservoir, S. Dak.	380,000,000	52,410,161	26,697,909	30,426,354	32,041,000	26,582,491	26,970,874	32,800,000	32,800,000
(22) Cheatham lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee	30,200,000	22,360,124	4,650,928	1,879,948	1,009,000	3,109,082	1,494,720	1,009,000	959,000
(23) Old Hickory lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee	47,600,000	41,129,642	4,326,597	1,767,574	274,187	2,738,829	1,164,500	274,187	
(24) Denison Reservoir (Lake Texoma), Tex. and Okla.:									
(i) Recreational facilities	599,000		219,456	266,053		244,902	240,098		
(ii) Highway bridge at Willis site	5,936,000		1,522	94,533	1,683,947	41,653	54,400	1,683,947	200,000
(25) Repairs, St. Louis and San Francisco RR bridge	85,000	486	34,166	40,024	10,324	74,270		10,324	
(26) McGee Bend Dam, Tex.	50,000,000	1,008,379	646,813	3,702,324	5,369,464	1,005,688	3,481,800	5,369,464	4,500,000
(27) Chief Joseph Dam, Wash.	148,000,000	126,302,517	10,429,103	4,688,380	2,521,900	10,267,682	4,807,318	2,400,000	2,400,000
(28) Ice Harbor lock and dam, Washington	135,000,000	2,310,814	8,913,037	17,389,032	20,749,100	10,396,763	17,804,571	20,000,000	20,000,000
(29) John Day Dam, Oreg. and Wash.	350,000,000	[1] 588,788	[1] 1,342,566	993,646	1,874,000	1,377,007	955,371	2,100,000	2,000,000
(30) Minor completion items	829,634,452	826,931,519	1,697,577	951,984	53,372	1,169,057	689,183	53,330	
Total, multiple-purpose projects	4,090,257,752	2,197,564,531	166,254,480	143,778,652	169,191,967	161,000,621	136,689,037	168,095,839	156,759,000
7. Small authorized projects	10,908,308	1,592,789	3,080,273	5,030,606	704,640	2,693,047	4,947,025	704,640	
8. Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	27,843,000	9,616,633	1,128,919	2,108,157	1,891,843	1,765,605	1,800,000	1,446,447	1,000,000
9. Northeast flood emergency	31,601,000	30,525,886	860,031	215,083		397,316	166,389		
10. Flood emergency (disaster relief)		2,738,286	−2,738,286						
11. Unapplied costs			−1,241,284	1,053,924					
12. Undistributed reduction based on anticipated delays and savings				−24,800,036	−11,199,964		−18,800,036	−11,199,964	−30,000,000
Total program costs	9,015,158,745	3,962,694,226	424,577,942	467,469,509	551,334,941				
13. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−13,440,635	−13,600,160				
Obligations incurred for costs of other years, net			7,851,584						
Total program (obligations)			432,429,526	454,028,874	537,734,781	432,429,526	454,028,874	537,734,781	
Financing:									
Unobligated balance brought forward						−60,697,558	−92,020,155	−87,814,781	
Recovery of prior year obligations						−5,282,623			
Unobligated balance carried forward						92,020,155	87,814,781		
Appropriation (new obligational authority)						458,469,500	449,823,500	449,920,000	449,920,000

[1] Advance engineering and design only.

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

The appropriation requested for this program amounts to $449.9 million and represents an increase of $0.1 million compared with the amount appropriated for 1958 and a decrease of $8.5 million compared with the appropriation for 1957. Of the appropriations requested, about 63% will be applied to 27 major projects in amounts of $5 million or more. Appropriations for this program may be summarized as follows:

[In thousands]

Activity	Major projects	Other	Total
1. Advance engineering and design	-------	$5,500	$5,500
2. Navigation projects	$73,500	57,398	130,898
3. Alteration of bridges	-------	4,465	4,465
5. Flood control projects	72,450	108,848	181,298
6. Multiple-purpose projects	108,200	18,559	156,759
8. Lower Columbia River fish sanctuary program	-------	1,000	1,000
12. Undistributed reduction based on anticipated delays and savings	-------	−30,000	−30,000
Appropriations	284,150	165,770	449,920

The monetary authorization available for appropriation after 1959 for projects in the construction, general program, amounts to $4,462.4 million. Budget recommendations for 10 projects contemplate that Congress will provide additional monetary authorization this year.

1. *Advance engineering and design.*—Design studies establish project features and cost estimates required for preparation of contract plans. The funds requested will bring designs and plans for a number of high priority projects to the stage where they will be ready for construction, and will permit continuation of planning on other needed projects. The program of restudy of projects classified as "Deferred for restudy" will be continued.

2. *Navigation projects.*—This activity includes improvement of channels and harbors for navigation by dredging; and construction of breakwaters, jetties, dikes, locks, dams, and canals.

With the funds requested, work will be continued on 42 channel and harbor projects, of which 8 will be completed, and on 12 lock, dam, and canal projects. Eight major projects will require appropriations of $5 million or more in 1959 and will be brought to a percent of completion as follows:

Project	Appropriations 1959	Percent of completion
Great Lakes connecting channels, Mich	$18,000,000	24.4
Delaware River to Trenton, N. J	10,000,000	21.7
Jackson lock and dam, Alabama	5,000,000	29.2
Illinois Waterway	6,000,000	29.8
Markland lock and dam, Indiana, Kentucky and Ohio	11,000,000	37.4
New Cumberland lock and dam, Ohio and West Virginia	10,000,000	66.7
Greenup locks and dams, Kentucky and Ohio	8,500,000	59.1
Lock and dam 41, Kentucky and Indiana	5,000,000	17.8
Total	73,500,000	

3. *Alteration of bridges.*—Obstructive bridges over navigable waterways are altered in accordance with an apportionment of the costs of alteration between the United States and the bridge owners.

The funds requested will finance the Federal share of the cost of altering 5 bridges, of which 1 will be completed in 1959.

4. *Beach erosion control projects.*—The Federal Government assists in the construction of works for the restoration and protection against erosion by waves and currents, of the shores of the United States, its Territories, and possessions. Federal contributions may not exceed one-third of the construction costs of such projects.

5. *Flood control projects.*—This activity includes local protection projects and flood control reservoirs without power installations. Local protection projects consist of channel improvements, levees, and floodwalls. Provision is made for emergency bank protection; for snagging and clearing work on navigable streams and tributaries when such work is necessary in the interest of flood control; and for the construction of small flood control projects not specifically authorized by Congress.

The estimate for Chamita (Abiquiu) Reservoir, N. Mex., contemplates that no Federal funds will be spent for a separate uncontrolled outlet. This outlet is not required, since the United States will operate the dam in accordance with the Rio Grande compact as required by the project authorization.

With the funds requested, construction will be continued on 51 local protection projects, of which 6 will be completed, and on 37 reservoir projects, of which 3 will be completed in 1959. Eight major projects will require appropriations of $5 million or more in 1959 and will be brought to a percent of completion as follows:

Project	Appropriations 1959	Percent of completion
Los Angeles County, Calif	$16,500,000	58.1
Central and southern Florida	5,000,000	20.2
Painted Rock Reservoir, Ariz	6,000,000	62.2
Tuttle Creek Reservoir, Kans	12,500,000	43.7
Dillon Reservoir, Ohio	5,000,000	63.8
Oologah Reservoir, Okla	10,000,000	68.4
Eagle Gorge Reservoir, Wash	6,000,000	72.0
Sutton Reservoir, W. Va	11,450,000	80.9
Total	72,450,000	

6. *Multiple-purpose projects including power.*—With the funds requested, construction will be continued on 20 multiple-purpose projects with power installations. Four revenue-producing multiple-purpose projects with power will be substantially completed in 1959. In addition, the funds necessary to complete construction of the Cheatham lock and dam, Tennessee, project will be provided. Eleven major projects will require appropriations of $5 million or more in 1959 and will be brought to a percent of completion as follows:

Project	Appropriations 1959	Percent of completion
Fort Gaines lock and dam, Alabama and Georgia	$10,000,000	24.1
Hartwell Reservoir, Ga. and S. C	10,000,000	25.2
Barkley Dam, Ky. and Tenn	8,500,000	8.1
Table Rock Reservoir, Mo. and Ark	12,400,000	91.8
Fort Peck Dam, Mont. (2d powerplant)	6,000,000	36.1
Garrison Reservoir, N. Dak	9,000,000	94.4
Cougar Reservoir, Oreg	5,500,000	31.6
Hills Creek Reservoir, Oreg	11,000,000	44.7
The Dalles lock and dam, Oregon and Washington	13,000,000	93.4
Oahe Reservoir, S. Dak	32,800,000	37.8
Ice Harbor lock and dam, Washington	20,000,000	36.6
Total	138,200,000	

7. *Small authorized projects.*—The Federal Government assists in the construction of authorized channel and harbor, shore protection, and flood control projects, each of which has a total estimated Federal cost of $400,000 or less.

8. *Lower Columbia River fish sanctuary program.*—A program to counteract damages to fisheries resulting from the construction of major dams and other obstructions in the lower Columbia River has been developed by the Fish and Wildlife Service together with the fisheries departments of the States of Oregon and Washington.

9. *Northeast flood emergency.*—Following the floods in the Northeast in the summer of 1955, the Corps participated in an emergency assistance program there.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

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	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$1,048,830	$511,257	$149,980	$92,100
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	79,602,457	81,008,702	68,539,756	57,249,260
Advances (payments for goods and services not yet received)	603,932	1,918,094	1,252,589	116,200
Construction facilities (acquisition value of facilities less depreciation charged to project cost)	5,828,079	6,214,206	6,269,299	5,153,904
Total selected resources at end of year	87,083,298	89,652,259	76,211,624	62,611,464
Selected resources at start of year (−)		−87,083,298	−89,652,259	−76,211,624
Adjustment of selected resources reported at start of year		5,282,623		
Costs financed from obligations of other years, net (−)			−13,440,635	−13,600,160
Obligations incurred for costs of other years, net		7,851,584		

Object Classification

	1957 actual	1958 estimate	1959 estimate
CORPS OF ENGINEERS			
Total number of permanent positions	2,545	2,545	2,600
Full-time equivalent of all other positions	17	17	17
Average number of all employees	2,512	2,512	2,570
Number of employees at end of year	2,636	2,700	2,700
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
Average salary of ungraded positions	$4,626	$4,676	$4,699
01 Personal services:			
Permanent positions	$13,431,505	$13,500,252	$13,879,512
Positions other than permanent	80,043	80,200	80,350
Other personal services	1,027,136	702,736	704,193
Pay and allowances to commissioned officers	52,045	56,812	58,945
Total personal services	14,590,729	14,340,000	14,723,000
02 Travel	1,376,669	1,500,000	1,500,000
03 Transportation of things	343,905	350,000	400,000
04 Communication services	95,149	100,000	150,000
05 Rents and utility services	624,577	650,000	700,000
06 Printing and reproduction	88,241	100,000	130,000
07 Other contractual services	35,337,314	37,500,000	45,000,000
Services performed by other agencies	720,660	720,000	800,000
Services performed by "Revolving fund, Corps of Engineers"	47,013,694	50,000,000	55,000,000
08 Supplies and materials	3,646,073	3,700,000	4,500,000
09 Equipment	1,204,851	1,200,000	1,200,000
10 Lands and structures	300,032,933	341,040,888	411,319,664
11 Grants, subsidies, and contributions		840,000	857,000
13 Refunds, awards, and indemnities	25,348,047	77,000	80,000
15 Taxes and assessments	11,280	12,000	12,000
Subtotal	430,434,122	452,129,888	536,371,664
Deduct quarters and subsistence charges	107,158	107,500	110,000
Total, Corps of Engineers	430,326,964	452,022,388	536,261,664
ALLOCATION ACCOUNTS			
Total number of permanent positions	21	18	12
Full-time equivalent of all other positions	1	1	
Average number of all employees	17.2	18.9	9.8
Number of employees at end of year	16	20	11
Average GS grade and salary	7.0 $4,530	7.0 $4,527	7.1 $4,660
01 Personal services:			
Permanent positions	$80,581	$93,189	$52,360
Positions other than permanent	6,094	3,503	1,425
Other personal services	303	488	530
Total personal services	86,978	97,180	54,315
02 Travel	3,233	16,850	10,000
03 Transportation of things	932	550	100
04 Communication services	214	3,900	3,400
05 Rents and utility services	346		
06 Printing and reproduction	158	50	
07 Other contractual services	1,718,468	290,954	250,000
Services performed by other agencies	170		
08 Supplies and materials	19,061	10,878	10,000
09 Equipment	17,699	67,500	50,000
10 Lands and structures	255,242	1,514,302	1,091,202
11 Grants, subsidies, and contributions		4,322	4,100
15 Taxes and assessments	64		
Subtotal	2,102,565	2,006,486	1,473,117
Deduct quarters and subsistence charges	3		
Total, allocation accounts	2,102,562	2,006,486	1,473,117
Total obligations	432,429,526	454,028,874	537,734,781

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Obligations are distributed as follows:			
Corps of Engineers	$430,326,964	$452,022,388	$536,261,664
Bureau of Commercial Fisheries, Department of the Interior	1,780,541	1,800,000	1,446,447
Forest Service, Department of Agriculture	27,239	22,200	26,670
Bureau of Reclamation, Department of the Interior	200,682	184,157	
Bureau of Indian Affairs, Department of the Interior	94,100	129	

Operation and Maintenance, General

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; rescue work, and repair, restoration, or maintenance of flood control projects threatened or destroyed by flood; and not to exceed [$1,315,000] *$1,415,000* for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, [$103,850,000] *$100,000,000*. (*16 U. S. C. 661–666, 756; 33 U. S. C. 1, 414, 415, 540, 603a, 701, 701n, 705; Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$103,850,000** Estimate 1959, **$100,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Navigation:			
(a) Channels and harbors	$54,237,619	$53,920,966	$50,940,034
(b) Locks, dams, and canals	21,575,180	22,550,000	22,165,000
(c) Surveys of northern and northwestern lakes	606,316	614,500	590,000
2. Flood control:			
(a) Reservoirs	3,602,293	4,308,000	4,520,000
(b) Channel improvements, inspections, and miscellaneous maintenance	541,685	805,000	860,000
3. Multiple-purpose projects including power	12,137,788	16,057,000	16,320,000
4. Lower Columbia River fish sanctuary program	1,162,632	1,330,000	1,440,000
5. Niagara remedial works		37,500	40,000
6. Emergency operations:			
(a) Removing sunken vessels and other navigation obstructions	597,521	487,500	460,000
(b) Protecting, clearing, and straightening channels of navigable waters	91,920	33,452	30,000
(c) Flood control emergencies, repairs, and floodfighting and rescue work	8,044,383	5,836,517	4,010,000
(d) Planning emergency restoration			230,000
7. Undistributed costs	50,185	−142,311	
Total program costs	102,647,522	105,838,124	101,605,034
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−338,124	−300,000
Obligations incurred for costs of other years, net	870,563		
Total program (obligations)	103,518,085	105,500,000	101,305,034
Financing:			
Unobligated balance brought forward	−10,573,119	−2,955,034	−1,305,034
Unobligated balance carried forward	2,955,034	1,305,034	
Appropriation (new obligational authority)	95,900,000	103,850,000	100,000,000

The appropriation requested is $100 million. This represents a decrease of $3.8 million compared with 1958 and an increase of $4.1 million compared with 1957. With the amount recommended, essential maintenance work will be accomplished on an orderly and current

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, GENERAL—Continued

schedule designed to hold costly repair and rehabilitation work in the future to a minimum.

1. *Navigation.*—Minimum essential maintenance requirements will be met on 156 channel and harbor projects, 31 canals and canalized waterways, and 2 obsolescent waterways to be disposed under Public Law 996. Surveys of the northern and northwestern lakes to obtain data for charts and bulletins for safe navigation will be continued.

2. *Flood control.*—In 1959, 114 flood control reservoirs will be operated and maintained. Provision is also made for the minimum regular maintenance of 18 local flood protection projects, urgent rehabilitation work, and inspection of completed flood control projects to determine adequacy of compliance by local interests with prescribed maintenance requirements.

3. *Multiple purpose projects including power.*—The facilities of 34 multiple purpose projects with an installed capacity at the end of 1959 of 6,156,400 kilowatts will be operated and maintained.

4. *Lower Columbia River fish sanctuary program.*—Funds are allocated to the Fish and Wildlife Service for operation and maintenance of hatcheries and other facilities.

5. *Niagara remedial works.*—The costs of operation and maintenance of works to preserve and enhance the scenic beauty of Niagara Falls are divided equally between the United States and Canada.

6. *Emergency operations.*—Wrecks and other obstructions to safe navigation are marked and removed. Provision is made for emergency work on channels of navigable waters and their tributaries.

The requested amount includes $4 million to replenish the emergency fund authorized by Public Law 99, approved June 28, 1955, for emergency flood control activities.

Data will be obtained by the Corps of Engineers in 1959 to assist in emergency planning by the Federal Civil Defense Administration and the Office of Defense Mobilization.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$239,660	$392,896	$350,000	$300,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	6,827,724	7,544,728	7,250,000	7,000,000
Advances (payments for goods and services on order not yet received)	177	500	----------	----------
Total selected resources at end of year	7,067,561	7,938,124	7,600,000	7,300,000
Selected resources at start of year (−)	−7,067,561	−7,938,124	−7,600,000	−7,600,000
Costs financed from obligations of other years, net (−)	----------	----------	−338,124	−300,000
Obligations incurred for costs of other years, net	870,563	----------	----------	----------

Object Classification

	1957 actual	1958 estimate	1959 estimate
CORPS OF ENGINEERS			
Total number of permanent positions	5,111	5,111	5,090
Full-time equivalent of all other positions	31	31	31
Average number of all employees	5,047	5,047	5,028

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
CORPS OF ENGINEERS—continued			
Number of employees at end of year	5,582	5,600	5,550
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
Average salary of ungraded positions	$4,626	$4,676	$4,699
01 Personal services:			
Permanent positions	$24,211,841	$24,373,306	$24,410,862
Positions other than permanent	111,665	112,000	112,000
Other personal services	1,038,847	750,694	757,938
Pay and allowances to commissioned officers	5,049	6,000	6,000
Total personal services	25,367,402	25,242,000	25,286,800
02 Travel	623,263	625,000	625,000
03 Transportation of things	278,616	280,000	275,000
04 Communication services	262,841	265,000	275,000
05 Rents and utility services	911,309	915,000	915,000
06 Printing and reproduction	27,238	30,000	30,000
07 Other contractual services	29,333,022	29,500,000	28,000,000
Services performed by other agencies	327,004	330,000	300,000
Services performed by "Revolving fund, Corps of Engineers"	40,082,140	40,410,449	38,430,134
08 Supplies and materials	4,826,034	4,850,000	4,000,000
09 Equipment	420,771	425,000	425,000
11 Grants, subsidies, and contributions	----------	1,500,000	1,528,700
13 Refunds, awards, and indemnities	6,499	6,500	6,500
15 Taxes and assessments	25,240	27,500	27,900
Subtotal	102,491,379	104,406,449	100,125,034
Deduct quarters and subsistence charges	234,471	235,000	235,000
Total, Corps of Engineers	102,256,908	104,171,449	99,890,034
ALLOCATION TO DEPARTMENT OF THE INTERIOR, BUREAU OF COMMERCIAL FISHERIES			
Total number of permanent positions	61	49	49
Full-time equivalent of all other positions	18	13	14
Average number of all employees	70	53	55
Number of employees at end of year	78	60	60
Average GS grade and salary	4.1 $3,829	4.5 $3,900	4.6 $4,020
Average salary of ungraded positions	$5,148	$4,888	$4,888
01 Personal services:			
Permanent positions	$200,584	$157,142	$166,292
Positions other than permanent	63,091	52,085	55,545
Other personal services	7,549	7,030	7,490
Total personal services	271,224	216,257	229,327
02 Travel	8,826	19,200	22,200
03 Transportation of things	3,563	4,140	5,640
04 Communication services	1,835	4,850	6,450
05 Rents and utility services	1,241	7,000	8,200
07 Other contractual services	780,919	947,531	1,015,920
08 Supplies and materials	139,054	130,450	127,550
09 Equipment	64,495	450	450
11 Grants, subsidies, and contributions	----------	9,450	10,040
13 Refunds, awards, and indemnities	172	----------	----------
15 Taxes and assessments	1,444	----------	----------
Subtotal	1,272,773	1,339,328	1,425,777
Deduct quarters and subsistence charges	11,596	10,777	10,777
Total, Department of the Interior	1,261,177	1,328,551	1,415,000
Total obligations	103,518,085	105,500,000	101,305,034

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors, the Beach Erosion Board, and the California Debris Commission; administration of laws pertaining to preservation of navigable waters; commercial statistics; and miscellaneous investigations; [$11,350,000] *$11,200,000.* (*22 U. S. C. 266; 33 U. S. C. 426–426h, 441–451, 541, 661, 678, 683, 701, 703, 704; 66 Stat. 596; Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$11,350,000** Estimate 1959, **$11,200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction and management:			
(a) Office, Chief of Engineers	$3,148,538	$3,275,000	$3,470,000
(b) Division offices	4,980,059	5,340,000	5,290,000
2. Review boards:			
(a) River and Harbor Board	373,536	521,000	400,000
(b) Beach Erosion Board	137,658	135,000	135,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
3. Regulation:			
(*a*) Hydraulic mining	$5,000	$5,000	$5,000
(*b*) New York Harbor	259,000	335,000	350,000
(*c*) Inspections, issuance of permits, harbor lines, etc.	575,277	625,000	625,000
4. Commercial statistics	766,391	856,000	800,000
5. Special investigations	126,340	127,000	125,000
Total program costs	10,371,799	11,219,000	11,200,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−21,904	−34,000	
Total program (obligations)	10,349,895	11,185,000	11,200,000
Financing:			
Unobligated balance no longer available	50,105	165,000	
Appropriation (new obligational authority)	10,400,000	11,350,000	11,200,000

1. *Executive direction and management.*—This provides for administration of the program by the Office, Chief of Engineers, including a data processing center, and 9 division offices, which supervise work decentralized in 40 district offices.

2. *Review boards.*—The River and Harbor Board reviews reports on proposed projects and makes advisory recommendations to the Chief of Engineers. The Beach Erosion Board, in cooperation with the States, studies the prevention of shore erosion, develops standards, and reviews reports.

3. *Regulation.*—The Corps administers laws for the protection and preservation of the navigable waters of the United States. It inspects bridges, approves bridge plans, establishes fish stake limits, issues permits, investigates wrecks and oil pollution, controls dumping, regulates hydraulic mining, and establishes harbor lines.

4. *Commercial statistics.*—Data on waterborne commerce are collected, compiled, and published.

5. *Special investigations.*—Investigations are made and reports prepared pursuant to congressional and other special requests for current information pertaining to the civil works program.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)	$106,493	$72,921	$39,722	$39,722
Advances (payment of goods and services on order not yet received)	345	801	.....	.....
Total selected resources at end of year	106,838	73,722	39,722	39,722
Selected resources at start of year (−)		−106,838	−73,722	−39,722
Adjustment of selected resources reported at start of year		11,212	.....	.....
Costs financed from obligations of other years, net (−)		−21,904	−34,000	.....

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		1,191		1,169		1,202
Full-time equivalent of all other positions		2		2		2
Average number of all employees		1,146		1,153		1,154
Number of employees at end of year		1,171		1,168		1,180
Average GS grade and salary	7.1	$5,396	7.1	$5,419	7.1	$5,444
Average salary of ungraded positions		$4,626		$4,676		$4,699
01 Personal services:						
Permanent positions		$7,455,481		$7,586,206		$7,657,691
Positions other than permanent		9,312		8,345		8,345
Other personal services		94,290		105,949		100,064
Pay and allowances to commissioned officers		358,499		310,100		314,400
Total personal services		7,917,582		8,010,600		8,080,500
02 Travel		513,183		515,000		515,000
03 Transportation of things		23,444		25,000		25,000
04 Communication services		161,114		165,000		165,000
05 Rents and utility services		60,772		65,000		65,000
06 Printing and reproduction		41,115		45,000		45,000
07 Other contractual services		194,340		200,000		200,000
Services performed by other agencies		98,233		100,000		100,000
Services performed by "Revolving fund, Corps of Engineers"		1,235,636		1,463,600		1,399,700
08 Supplies and materials		68,893		70,000		70,000
09 Equipment		20,737		22,000		22,000
11 Grants, subsidies, and contributions		.....		488,300		497,300
13 Refunds, awards, and indemnities		9,076		10,000		10,000
15 Taxes and assessments		5,770		5,500		5,500
Total obligations		10,349,895		11,185,000		11,200,000

Flood Control, Mississippi River and Tributaries

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U. S. C. 702a, 702g–1), to remain available until expended, [$60,715,000] *$57,000,000.* (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$60,715,000** Estimate 1959, **$57,000,000**

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES—Continued

Program and Financing

	Costs to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:									
1. General investigations:									
(a) Examinations and surveys			$518,992	$531,636	$164,043	$520,205	$529,876	$164,043	$150,000
(b) Collection and study of basic data:									
(1) Surveys, gages, and observations			41,487	50,155	50,000	41,474	51,370	50,000	50,000
(2) Fish and wildlife studies			35,873	29,880		34,690	29,043		
2. Advance engineering and design	$248,000	$95,542	51,485	100,973		51,485	100,973		
Amounts included in named projects below	−248,090	−95,542	−51,485	−100,973		−51,485	−100,973		
3. Construction:									
(a) Mississippi River levees	220,500,000	185,894,080	2,121,278	2,463,510	2,004,559	2,318,288	2,046,836	2,057,967	1,800,000
(b) Channel improvement	462,600,000	324,498,775	24,118,842	18,518,509	19,080,142	18,751,239	18,228,724	19,221,221	18,000,000
(c) Memphis Harbor, Tenn	18,000,000	11,303,927	1,626,490	225,587	260,000	1,518,724	225,587	260,000	250,000
(d) Vicksburg Harbor, Miss	4,060,000	95,347	17,344	743,104	918,418	228,561	681,900	941,997	750,000
(e) Baton Rouge Harbor, La	2,860,000		[1] 21,463	500,000	278,537	[1] 21,463	500,000	278,537	250,000
(f) Old River control, Louisiana	80,000,000	3,965,466	7,018,334	10,065,134	7,724,837	7,165,051	10,036,600	7,750,035	7,750,000
(g) St. Francis Basin	83,800,000	22,553,022	1,182,849	4,145,868	3,028,628	1,731,847	4,201,600	2,926,032	2,600,000
(h) Reelfoot Lake area, Tennessee and Kentucky	652,000	86,862	85,699	21,400	343,539	21,329	102,900	262,039	40,000
(i) Lower Arkansas River, Ark	25,800,000	17,665,916	621,305	501,681	334,744	589,180	451,800	353,998	300,000
(j) Tensas Basin, Ark. and La	29,000,000	18,924,489	1,385,564	1,403,895	941,135	1,436,602	1,084,500	1,065,956	800,000
(k) Yazoo Basin, Miss	188,000,000	85,085,621	2,797,318	4,015,135	4,398,326	3,233,934	3,804,200	4,448,991	3,250,000
(l) Atchafalaya Basin, La	112,000,000	81,305,971	4,066,364	3,572,590	4,460,450	4,428,254	3,490,000	4,516,982	4,510,000
(m) Lake Pontchartrain, La	4,890,000	1,523,263	502,681	412,575	699,815	379,411	386,700	703,007	500,000
(n) Lower Red River	8,910,000	8,145,943			20			20	
(o) Sec. 6, Flood Control Act, 1928	274,643	175,847	78,898		19,898	76,381		19,898	
(p) Lower White River	10,200,000	8,926,195	275,760	64,046	187,684	267,972	74,100	90,913	
(q) Mapping	4,094,306	4,076,827	16,513	966		12,091			
Total construction	1,255,040,949	774,227,551	45,936,702	46,654,000	44,680,732	42,180,327	45,315,447	44,897,593	40,800,000
4. Maintenance			15,735,765	16,422,920	16,000,000	15,721,239	16,074,264	16,000,000	16,000,000
5. Flood control emergencies			30,567		48,758	29,112		48,758	
6. Undistributed costs (−)			−64,437						
Total program costs			62,234,949	63,688,591	60,943,533				
7. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			−3,707,902	−1,688,591					
Obligations incurred for costs of other years, net					216,861				
Total program (obligations)			58,527,047	62,000,000	61,160,394	58,527,047	62,000,000	61,160,394	
Financing:									
Unobligated balance brought forward						−1,181,441	−5,445,394	−4,160,394	
Unobligated balance carried forward						5,445,394	4,160,394		
Appropriation (new obligational authority)						62,791,000	60,715,000	57,000,000	57,000,000

[1] Advance engineering and design only.

The Corps of Engineers is responsible for the flood control program for the lower Mississippi Valley from Cape Girardeau, Mo., to the Gulf of Mexico, including the main alluvial stream, the basins of the St. Francis and White, Lower Arkansas, Yazoo, Tensas, and Atchafalaya Rivers, and Bayou La Fourche, and the alluvial lands around Lake Pontchartrain. The adopted plan calls for raising and strengthening about 1,600 miles of existing levees along the main river, for enlarging or constructing some 1,700 miles of levees on tributaries and in side basins, for channel improvement and bank stabilization on the main river, for dredging of the main river to provide a navigation channel 12 feet deep and 300 feet wide from Baton Rouge, La., to Cairo, Ill., and for 5 flood-detention reservoirs on minor tributaries.

The total estimated cost for flood control and improvement of the lower Mississippi River in its alluvial valley is $1,460 million, of which $1,008 million has been appropriated through 1958.

1. *General investigations.*—Provision is made for continuing a comprehensive review of the Mississippi River and tributaries project and for the collection of basic data which is subsequently used in planning and designing projects.

3. *Construction.*—Funds requested will be applied to continuation of 12 features and to completion of 1 feature of the project. About 93% of these funds will be applied to 6 major features, which by the end of 1959 will have been brought to a percent of completion as follows:

Feature	*Appropriations 1959*	*Percent of completion*
Mississippi River levees	$1,800,000	87
Channel improvement	18,000,000	84
Old River control	7,750,000	36
St. Francis Basin	2,600,000	37
Yazoo Basin	3,250,000	51
Atchafalaya Basin	4,510,000	83
Total	37,910,000	

4. *Maintenance.*—Provision is made for operation and ordinary maintenance of the major features of the project.

5. *Flood control emergencies.*—Provision is made for rescue work and for the repair, restoration, or maintenance of flood control work on tributaries of the Mississippi River threatened or destroyed by flood.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$4,818,386	$8,537		
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	3,432,570	4,761,643	$3,087,289	$3,304,150
Construction facilities (acquisition value of facilities less depreciation charged to projects)	232,826	5,700		
Total selected resources at end of year	8,483,782	4,775,880	3,087,289	3,304,150
Selected resources at start of year (−)	−8,483,782	−4,775,880	−3,087,289	−3,087,289
Costs financed from obligations of other years, net (−)		−3,707,902	−1,688,591	
Obligations incurred for costs of other years, net				216,861

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Object Classification

	1957 actual	1958 estimate	1959 estimate
CORPS OF ENGINEERS			
Total number of permanent positions	846	846	846
Full-time equivalent of all other positions	16	16	16
Average number of all employees	822	822	822
Number of employees at end of year	649	650	650
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
Average salary of ungraded positions	$4,626	$4,676	$4,699
Average salary of grades established by act of May 15, 1928 (33 U. S. C. 702h)	$7,500	$7,500	$7,500
01 Personal services:			
Permanent positions	$3,210,731	$3,275,223	$3,309,392
Positions other than permanent	70,905	71,200	72,900
Other personal services	563,569	342,577	342,708
Pay and allowances to commissioned officers	13,847	13,000	13,000
Total personal services	3,859,052	3,702,000	3,738,000
02 Travel	417,115	420,000	425,000
03 Transportation of things	82,808	80,000	90,000
04 Communication services	20,481	20,000	20,000
05 Rents and utility services	242,700	240,000	240,000
06 Printing and reproduction	15,202	15,000	15,000
07 Other contractual services	3,757,514	4,000,000	4,000,000
Services performed by other agencies	2,972,813	3,000,000	3,000,000
Services performed by "Revolving fund, Corps of Engineers"	16,292,057	16,500,000	16,500,000
08 Supplies and materials	8,396,109	8,500,000	8,500,000
09 Equipment	13,885	10,000	10,000
10 Lands and structures	22,415,258	25,273,057	24,409,794
11 Grants, subsidies, and contributions		203,000	205,000
13 Refunds, awards, and indemnities	7,197	7,500	7,700
15 Taxes and assessments	3,750	3,900	3,900
Subtotal	58,495,941	61,974,457	61,164,394
Deduct quarters and subsistence charges	3,584	3,500	4,000
Total, Corps of Engineers	58,492,357	61,970,957	61,160,394
ALLOCATION TO DEPARTMENT OF THE INTERIOR, BUREAU OF SPORT FISHERIES AND WILDLIFE			
Total number of permanent positions	6	5	
Average number of all employees	6	4.6	
Number of employees at end of year	6	3	
Average GS grade and salary	7.3 $4,974	7.4 $5,010	
01 Personal services:			
Permanent positions	$29,922	$23,136	
Positions other than permanent	108		
Other personal services	18	90	
Total personal services	30,048	23,226	
02 Travel	1,853	1,900	
03 Transportation of things	14	14	
04 Communication services	442	350	
05 Rents and utility services	279	275	
06 Printing and reproduction	610	500	
07 Other contractual services	607	500	
08 Supplies and materials	815	733	
09 Equipment	12	25	
11 Grants, subsidies, and contributions		1,510	
15 Taxes and assessments	10	10	
Total, Department of the Interior	34,690	29,043	
Total obligations	58,527,047	62,000,000	61,160,394

UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT BOARD OF ENGINEERS

For necessary expenses of the United States section of the Saint Lawrence River Joint Board of Engineers, established by Executive Order 10500, dated November 4, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $100 per day for individuals; [$125,000] *$100,000*: *Provided*, That no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the Saint Lawrence River, providing for the reimbursement of the expenditures of the United States section of this Board by the construction entity. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$125,000** Estimate 1959, **$100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Review of designs, plans, and specifications (total costs)	$86,004	$100,114	$100,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−114	
Obligations incurred for costs of other years, net	114		
Total program (obligations)	86,118	100,000	100,000
Financing:			
Unobligated balance no longer available	63,882	25,000	
Appropriation (new obligational authority)	150,000	125,000	100,000

Executive Order 10500 established the United States section of the Saint Lawrence River Joint Board of Engineers. Its duties include review of plans and coordination of construction, in conjunction with the Canadian section of the Joint Board, of power facilities being constructed in the International Rapids section of the St. Lawrence River by the Power Authority of the State of New York jointly with the Hydro-Electric Power Commission of Ontario. These expenses will be repaid to the general fund by the Power Authority of the State of New York.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$50	$114		
Selected resources at start of year (−)		−50	−$114	
Adjustment of selected resources reported at start of year		50		
Costs financed from obligations of other years, net (−)			−114	
Obligations incurred for costs of other years, net		114		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6	5	5
Average number of all employees	6	5	5
Number of employees at end of year	6	5	5
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
01 Personal services:			
Permanent positions	$54,367	$45,475	$46,073
Positions other than permanent	3,894	3,300	
Other personal services	866	925	927
Total personal services	59,127	49,700	47,000
02 Travel	2,066	2,500	2,500
04 Communication services	591	600	600
05 Rents and utility services	2,400	2,500	2,500
06 Printing and reproduction	21	25	25
07 Other contractual services	2,796	4,000	4,000
Services performed by other agencies	9,090	11,000	11,000
Services performed by "Revolving fund, Corps of Engineers"	9,097	28,375	31,075
08 Supplies and materials	907	1,000	1,000
09 Equipment	11		
11 Grants, subsidies, and contributions		300	300
15 Taxes and assessments	12		
Total obligations	86,118	100,000	100,000

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

NIAGARA REMEDIAL WORKS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Remedial works (total costs)	$1,041,611	$247,755	
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		−6,454	
Obligations incurred for costs of other years (unpaid undelivered orders), net	6,454		
Total program (obligations)	1,048,065	241,301	
Financing:			
Unobligated balance brought forward	−789,366	−241,301	
Unobligated balance carried forward	241,301		
Appropriation (new obligational authority)	500,000		

Construction of remedial works in the Niagara River will be completed in 1958 with available funds. Funds requested for operation and maintenance of Corps of Engineers facilities will be used to finance the United States share of the cost of operating and maintaining the remedial works.

Relation of costs to obligations.—Year-end balance of unpaid undelivered orders for 1957 was $6,454.

Object Classification

		1957 actual	1958 estimate	1959 estimate
05	Rents and utility services	$30		
06	Printing and reproduction	77		
07	Other contractual services	37		
	Services performed by "Revolving fund, Corps of Engineers"	46,031	$10,000	
10	Lands and structures	1,001,890	231,301	
	Total obligations	1,048,065	241,301	

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance at meetings of organizations concerned with the work for which the appropriation is made, for uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed [one hundred and fifty] *two hundred and thirty-six* for replacement only) and hire of passenger motor vehicles. (*Public Works Appropriation Act, 1958.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation as follows:
"Hospital and domiciliary facilities," Veterans Administration.
"Capital outlay," United States Soldiers' Home.
"Repair of reserve fleet facilities," maritime activities.
"Operating expenses," Coast Guard.
"Construction and rehabilitation," Bureau of Reclamation.
"Salaries and expenses," maritime activities.
"Disaster relief," funds appropriated to the President.
"Construction," Fish and Wildlife Service.
"Commodity Credit Corporation fund."
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Passamaquoddy tidal power survey," Department of State.
"Salaries and expenses," National Science Foundation.
"Maintenance and operation," United States Soldiers' Home.
"Mutual security," funds appropriated to the President.

Permanent authorizations:

PAYMENTS TO STATES, FLOOD CONTROL ACT OF 1954

(Indefinite special account)

Appropriated 1958, **$1,500,000** Estimate 1959, **$1,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payments to States (total costs—obligations)	$1,472,476	$1,461,149	$1,500,000
Financing:			
Unobligated balance brought forward	−1,472,476	−1,461,149	−1,500,000
Unobligated balance carried forward	1,461,149	1,500,000	1,500,000
Appropriation (new obligational authority)	1,461,149	1,500,000	1,500,000

Three-fourths of the moneys received from lease of Federal lands acquired for flood control, navigation, and allied purposes is paid to the State in which such property is situated for public schools, roads, or other expenses of county government (33 U. S. C. 701c–3).

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$1,472,476	$1,461,149	$1,500,000

RIVERS AND HARBORS AND FLOOD CONTROL, SPECIAL EXPENSE FUNDS

(Indefinite special accounts)

Appropriated (estimate) 1958, **$150,000** Estimate 1959, **$150,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Hydraulic mining in California, debris fund"	$25,706	$13,594	
2. "Maintenance and operation of dams and other improvements of navigable waters"	152,127	152,127	$150,000
Total program costs	177,833	165,721	150,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		−45	
Obligations incurred for costs of other years (unpaid undelivered orders), net	2		
Total program (obligations)	177,835	165,676	150,000
Financing:			
Unobligated balance brought forward	−155,384	−165,676	−150,000
Unobligated balance carried forward	165,676	150,000	150,000
Appropriation (new obligational authority)	188,127	150,000	150,000

1. *Hydraulic mining in California, debris fund.*—Fees paid by mine operators in the Sacramento and San Joaquin basins for depositing mine debris in restraining works are used for maintenance of restraining reservoirs (33 U. S. C. 683).

2. *Maintenance and operation of dams and other improvements of navigable waters.*—Half of the proceeds from certain licenses issued by the Federal Power Commission for constructing, operating, and maintaining dams, conduits, reservoirs, etc., are used for maintenance and operation of Federal dams and other navigation structures and for improvement of navigable waters (16 U. S. C. 810; 31 U. S. C. 725c).

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3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1956, $43; 1957, $45.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3	3	
Average number of all employees	3	3	
Number of employees at end of year	3	3	
Average GS grade and salary	7.1 $5,396	7.1 $5,419	
01 Personal services:			
Permanent positions	$13,051	$15,440	
Other personal services	491	560	
Total personal services	13,542	16,000	
02 Travel	250	300	
04 Communication services	296	200	
05 Rents and utility services	4,714	4,200	
07 Other contractual services	2,143	1,500	
Services performed by "Revolving fund, Corps of Engineers"	137,835	123,296	$135,000
08 Supplies and materials	18,299	18,730	15,000
09 Equipment	1,390	1,400	
11 Grants, subsidies, and contributions		750	
Subtotal	178,469	166,376	150,000
Deduct quarters and subsistence charges	634	700	
Total obligations	177,835	165,676	150,000

Intragovernmental funds:

REVOLVING FUND, CORPS OF ENGINEERS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Plant and equipment services	$44,295,677	$45,240,000	$45,400,000
Warehousing	3,674,269	3,607,000	3,900,000
Shop and facility services	21,348,976	20,700,000	21,000,000
General administrative services	122,173,289	121,900,000	122,100,000
Net costs charged or credited (−) to capital	128,602	−60,453	50,000
Total operating costs	191,620,813	191,386,547	192,450,000
Depreciation included above (−)	−7,275,567	−7,400,000	−8,500,000
Other cost included above not requiring funding (−)	−128,602		−50,000
Adjustment of cost included above not requiring funding		60,453	
Total operating costs, funded	184,216,644	184,047,000	183,900,000
Capital outlay:			
Plant, properties and equipment	9,496,528	11,070,299	14,190,000
Property transferred in (−) without charge	−334,128	−90,299	
Capital outlay, funded	9,162,400	10,980,000	14,190,000
Total costs, funded	193,379,044	195,027,000	198,090,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,537,362	−3,900,000
Obligations incurred for costs of other years, net	990,709		
Total program (obligations)	194,369,753	193,489,638	194,190,000
Financing:			
Amounts becoming available:			
Sale of assets	1,089,922	1,280,464	1,900,000
Operating revenue	191,806,499	191,828,048	192,200,000
Nonoperating revenue	87,774	100,000	100,000
Total amounts becoming available	192,984,195	193,208,512	194,200,000
Unobligated balance brought forward	7,955,780	6,570,222	6,289,096
Total amounts available	200,939,975	199,778,734	200,489,096
Unobligated balance carried forward	−6,570,222	−6,289,096	−6,299,096
Financing applied to program	194,369,753	193,489,638	194,190,000

The fund provides for expenses necessary for the acquisition, operation, and maintenance of plant and equipment of the Corps of Engineers used in civil functions, and for furnishing of facilities and services for the military functions of the Department of the Army and other governmental agencies and private persons. The fund is credited by reimbursements or advances from the appropriations or individuals who utilize the services or facilities, at rates to cover all operating costs. Capital for the fund was provided by assumption of the assets, liabilities, and obligations of the plant accounts, as carried on the records of the Corps of Engineers as of June 30, 1953, and by an appropriation of $100. Capital of the fund is limited to $140 million (67 Stat. 199).

Budget program.—Plant and equipment services include operating costs of such items of plant as dredges, other floating plant, and land-based plant. Warehousing covers cost of receipt, storage, and issue of inventories. Shop and facility services include repair and maintenance shops, boatyards, and printing and reproduction plants. General administrative services include general and administrative expenses of Corps of Engineers district offices. In addition, capital gains and losses become a part of the activities of the fund. Operating costs of these activities are expected to remain at about the same level through 1959. The increase in outlay for plant, properties, and equipment is expected to result primarily from modernization and replacement of major items of plant and facilities.

As a result, 1958 gross expenditures of the fund are expected to increase $0.9 million over the preceding year, and 1959 gross expenditures are expected to increase $2.4 million over 1958.

Operating results and financial condition.—In reducing the excess inventories with which the fund began in 1954, losses of $1.6 million have been incurred including the amount of $353,731 in 1957. The investment of the Government is estimated to remain at about the same level through 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories	$9,222,078	$8,962,708	$7,700,000	$5,700,000
Deferred and undistributed items	2,008,898	2,498,785	2,000,000	1,300,000
Unpaid undelivered orders	4,560,253	5,183,038	6,600,000	6,500,000
Unfunded annual leave	3,550,832	4,155,944	3,200,000	2,300,000
Total selected resources at end of year	19,342,061	20,800,475	19,500,000	15,800,000
Selected resources at start of year		−19,342,061	−20,800,475	−19,500,000
Increase or decrease (−) in selected resources		1,458,414	−1,300,475	−3,700,000
Increase (−) in reserve for insurance		−154,687	−36,887	−100,000
Inventory items transferred in (−) without charge, net		−313,018	−200,000	−100,000
Costs financed from obligations of other years net (−)			−1,537,362	−3,900,000
Obligation incurred for costs of other years, net		990,709		

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Plant, properties, and equipment	$9,162,400	$10,980,000	$14,190,000
Expense:			
Purchases of supplies and materials	9,268,190	8,337,292	7,900,000
Direct operating expense	174,056,605	173,980,113	173,570,000
Rectification of damage to property	164,774	230,000	230,000
Total gross expenditures	192,651,969	193,527,405	195,890,000
Receipts from operations (funds provided):			
Realization of assets:			
Proceeds from sale of plant, properties, and equipment	1,089,922	1,280,464	1,900,000
Operating revenue	191,806,499	191,828,048	192,200,000
Nonoperating revenue	87,774	100,000	100,000
Decrease in selected working capital	992,784	371,893	1,690,000
Total receipts from operations	193,976,979	193,580,405	195,890,000
Budget expenditures	−1,325,010	−53,000	

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Intragovernmental funds—Continued

REVOLVING FUND, CORPS OF ENGINEERS—Continued

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue	$191,806,499	$191,828,048	$192,200,000
Expense	191,492,211	191,447,000	192,400,000
Net operating income or loss (−)	314,288	381,048	−200,000
Nonoperating income or loss (−):			
Proceeds of sale of fixed assets	1,089,922	1,280,464	1,900,000
Net book value of assets sold (−)	952,567	1,320,011	2,050,000
Net gain or loss (−) on sale of fixed assets	137,355	−39,547	−150,000
Other nonoperating income	87,774	100,000	100,000
Net nonoperating income or loss (−)	225,129	60,453	−50,000
Net income or loss (−) for the year	539,417	441,501	−250,000
Analysis of retained earnings:			
Retained earnings, beginning of year	837,903	1,731,051	2,172,552
Items initially capitalized transferred to investment account	353,731		
Retained earnings, end of year	1,731,051	2,172,552	1,922,552

Financial Condition

Assets:			
Cash with Treasury	$29,619,552	$29,672,552	$29,672,552
Accounts receivable	17,096,250	17,200,000	16,700,000
Inventories	8,962,708	7,700,000	5,700,000
Deferred and undistributed items	2,498,785	2,000,000	1,300,000
Plant, properties and equipment (net)	106,149,712	108,500,000	112,140,000
Total assets	164,327,007	165,072,552	165,512,552
Liabilities and reserves:			
Current liabilities	30,806,598	30,783,456	31,273,456
Reserve for self insurance	2,663,113	2,700,000	800,000
Total liabilities and reserves	33,469,711	33,483,456	34,073,456
Government investment:			
Non-interest-bearing capital:			
Start of year	129,501,086	129,126,245	129,416,544
Losses on disposal of excess stocks included in initial capitalization	−353,731		
Donated assets (net)	−21,110	290,299	100,000
End of year	129,126,245	129,416,544	129,516,544
Retained earnings	1,731,051	2,172,552	1,922,552
Total Government investment	130,857,296	131,589,096	131,439,096

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$28,294,542	$29,619,552	$29,672,552	$29,672,552
Obligated balance, net:				
Current liabilities	30,179,374	30,806,598	30,783,456	31,273,456
Unpaid undelivered orders	4,560,253	5,183,038	6,600,000	6,500,000
Unfunded annual leave	3,550,832	4,155,944	3,200,000	2,300,000
Accounts receivable, net (−)	−17,951,697	−17,096,250	−17,200,000	−16,700,000
Total obligated balance	20,338,762	23,049,330	23,383,456	23,373,456
Unobligated balance	7,955,780	6,570,222	6,289,096	6,299,096

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	16,023	15,954	15,623
Full-time equivalent of all other positions	1,634	1,625	1,625
Average number of all employees	15,881	15,831	15,700
Number of employees at end of year	17,202	17,100	17,150
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
Average salary of ungraded positions	$4,626	$4,676	$4,699

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$74,146,694	$74,440,522	$74,189,661
Positions other than permanent	5,950,400	6,030,900	6,041,450
Other personal services	6,992,192	6,085,852	6,084,889
Excess of annual leave earned over leave taken	147,026		300,000
Excess of annual leave taken (−) over leave earned		−553,274	
Pay and allowances to commissioned officers	578,680	646,000	654,000
Total personal services	87,814,992	86,650,000	87,270,000
02 Travel	6,435,445	6,440,000	6,440,000
03 Transportation of things	724,138	730,000	730,000
04 Communication services	1,821,075	1,820,000	1,820,000
05 Rents and utility services	1,280,789	1,280,000	1,280,000
06 Printing and reproduction	571,706	570,000	570,000
07 Other contractual services	65,678,649	62,980,000	61,728,000
08 Supplies and materials	19,143,470	17,647,000	17,700,000
09 Equipment	7,646,100	8,700,000	11,300,000
10 Lands and structures	1,057,399	1,600,000	1,900,000
11 Grants, subsidies, and contributions	3,325	4,618,000	4,661,000
13 Refunds, awards, and indemnities	214,686	220,000	220,000
15 Taxes and assessments	260,195	272,405	271,060
Total accrued expenditures	192,651,969	193,527,405	195,890,000
Net increase or decrease (−) in undelivered orders, nonfunded annual leave, and deferred and undistributed items	1,717,784	−37,767	−1,700,000
Total obligations	194,369,753	193,489,638	194,190,000

ADVANCES AND REIMBURSEMENTS, RIVERS AND HARBORS AND FLOOD CONTROL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Preparation of plans and specifications relative to construction:			
Post Office Department	$430		
Other Department of the Army functions	17,685	$20,000	$20,000
Non-Federal agencies	17,252	20,000	20,000
Total, preparation of plans and specifications relative to construction	35,367	40,000	40,000
2. Sale of property, supplies, materials, and utilities:			
Other Department of the Army functions	2,730	15,000	15,000
Other Federal agencies	1,139,209	1,200,000	1,200,000
Non-Federal agencies	106,140	100,000	100,000
Total, sale of property, supplies, materials, and utilities	1,248,079	1,315,000	1,315,000
3. Operation of power plant (Department of the Interior)	286,029	300,000	300,000
4. Damage to property (non-Federal agencies)	526,583	200,000	200,000
5. Special studies and reports	247	500	500
6. Construction of Niagara remedial works (Canadian Government)	50,372	60,000	
7. Disaster relief (Federal Civil Defense Administration)	2,825,377	500,000	
8. Miscellaneous services to other accounts	3,823	5,000	5,000
Total program (costs—obligations)	4,975,877	2,420,500	1,860,500
Financing:			
Unobligated balance brought forward	3,576		
Advances and reimbursements from—			
Other accounts	3,789,510	940,500	440,500
Non-Federal sources (33 U. S. C. 558, 559, 571, 701, and 701k)	1,183,044	1,480,000	1,420,000
Unobligated balance no longer available	−253		
Total financing	4,975,877	2,420,500	1,860,500

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	63	63	63
Average number of all employees	62	62	62
Number of employees at end of year	63	63	63
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
01 Personal services:			
Permanent positions	$336,789	$336,707	$336,707
Other personal services		1,293	1,293
Total personal services	336,789	338,000	338,000

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel	$18,696	$15,000	$12,000
03	Transportation of things	1,217	2,000	2,000
04	Communication services	3,008	3,000	3,000
05	Rents and utility services	366,430	275,000	220,000
06	Printing and reproduction	8,360	8,000	7,000
07	Other contractual services	2,881,975	891,500	550,500
08	Supplies and materials	555,879	300,000	240,000
09	Equipment	123,100	100,000	90,000
10	Lands and structures	680,423	470,000	380,000
11	Grants, subsidies, and contributions		18,000	18,000
	Total obligations	4,975,877	2,420,500	1,860,500

Proposed for later transmission:

OPERATION AND MAINTENANCE, GENERAL

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Emergency operations: (c) Flood control emergencies (repairs and flood fighting and rescue work) (total costs—obligations)		$7,000,000	
Financing:			
Proposed supplemental appropriation		7,000,000	

Under existing legislation, 1958.—A supplemental appropriation in the amount of $7 million is anticipated for 1958 to provide for emergency flood control activities authorized by Public Law 99, approved June 28, 1955.

UNITED STATES SOLDIERS' HOME

LIMITATION ON OPERATION AND MAINTENANCE AND CAPITAL OUTLAY

(Trust fund)

For maintenance and operation of the United States Soldiers' Home, to be paid from the Soldiers' Home permanent fund, [$4,750,000] *$5,178,000*, of which [$34,000] *$434,630* shall remain available until [June 30, 1959] *expended* for construction of buildings and facilities, including [demolition] *plans and specifications*: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army, upon the recommendation of the Board of Commissioners of the Home and the Surgeon General of the Army. *(5 U. S. C. 59b; 24 U. S. C. 41–60; 31 U. S. C. 711 (12), 725s (a); Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Medical care	$1,912,689	$2,021,117	$2,098,887
2. Domiciliary activities	1,023,350	1,135,726	1,163,576
3. Administration and central services	1,506,961	1,559,157	1,480,907
4. Permanent improvements	488,129	2,210,842	575,086
Total obligations	4,931,129	6,926,842	5,318,456
Financing:			
Unobligated balance brought forward	605,427	2,317,298	140,456
Receipts from Soldiers' Home permanent fund	6,643,000	4,750,000	5,178,000
Unobligated balance carried forward	−2,317,298	−140,456	
Total financing	4,931,129	6,926,842	5,318,456

The United States Soldiers' Home provides medical and domiciliary care and other authorized benefits for the relief and support of certain old, invalid, or disabled soldiers of the Regular Army and airmen of the Air Force. Funds for maintenance and operation of the home are authorized from the Soldiers' Home permanent fund and not from the general funds of the Treasury.

1. *Medical care.*—As part of the home, the 480-bed hospital will care for a daily average of 380 patients during 1959. In addition, a daily average of 81 patients will receive specialized care in other Government hospitals.

2. *Domiciliary activities.*—An average of 1,345 members will receive domiciliary care within the 1,429-bed capacity.

3. *Administration and central services.*—This activity includes service functions for the home, such as administration, supply, utilities, maintenance, transportation, and laundry.

4. *Permanent improvements.*—Funds are included for purchasing equipment for new warehouse, members' parking lot, construction of road, preliminary plans for remodeling portion of Grant Building for administrative offices, and increases in cost of construction of service area.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	UNITED STATES SOLDIERS' HOME			
	Total number of permanent positions	999	1,001	997
	Full-time equivalent of all other positions	18	11	11
	Average number of all employees	979	976	976
	Number of employees at end of year	1,032	1,032	1,032
	Average GS salaries and grades	3.4 $3,450	3.5 $3,669	3.5 $3,684
	Average salary of ungraded positions	$2,763	$2,871	$2,877
01	Personal services:			
	Permanent positions	$2,919,863	$3,036,221	$3,049,801
	Positions other than permanent	54,720	52,629	52,629
	Other personal services	80,332	82,150	82,150
	Total personal services	3,054,915	3,171,000	3,184,580
02	Travel	862	565	565
03	Transportation of things	929	500	500
04	Communication services	13,678	13,610	13,610
05	Rents and utility services	84,002	84,360	84,360
06	Printing and reproduction	3,040	3,650	3,650
07	Other contractual services	546,449	438,315	370,470
08	Supplies and materials	900,178	918,054	966,895
09	Equipment	58,758	76,131	122,070
10	Lands and structures	37,158	73,480	43,110
11	Grants, subsidies, and contributions	2,775	169,911	188,330
15	Taxes and assessments	1,088	800	800
	Subtotal	4,703,832	4,950,376	4,978,940
	Deduct quarters, subsistence, and laundry charges	163,789	159,234	143,940
	Total, United States Soldiers' Home	4,540,043	4,791,142	4,835,000
	ALLOCATION TO CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY			
	Total number of permanent positions	4	13	13
	Average number of all employees	4	11	13
	Number of employees at end of year	6	11	13
	Average GS grade and salary	8.0 $5,964	6.3 $5,072	6.6 $5,286
01	Personal services:			
	Permanent positions	$23,818	$56,533	$66,947
	Other personal services	1,063	217	243
	Total personal services	24,881	56,750	67,190
07	Other contractual services	74,522	14,450	4,680
08	Supplies and materials	134		
10	Lands and structures	291,549	2,061,000	407,686
11	Grants, subsidies, and contributions		3,500	3,900
	Total, Corps of Engineers	391,086	2,135,700	483,456
	Total obligations	4,931,129	6,926,842	5,318,456

ADMINISTRATION, RYUKYU ISLANDS

Current authorizations:

ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, including, subject to such authorizations and limitations as may be prescribed by the Secretary of the Army, tuition, travel expenses, and fees incident to instruction in the United States or elsewhere of such persons as

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DEPARTMENT OF THE ARMY—Continued

ADMINISTRATION, RYUKYU ISLANDS—Continued

Current authorizations—Continued

ADMINISTRATION—Continued

may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals not to exceed ten in number; *not to exceed $3,000 for contingencies for the High Commissioner, to be expended in his discretion;* translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; hire of passenger motor vehicles and aircraft; purchase of four passenger motor vehicles for replacement only; *construction,* repair and maintenance of buildings, utilities, facilities, and appurtenances; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; [$2,475,000] *$3,150,000,* of which not to exceed [$1,405,000] *$1,650,000* shall be available for administrative and information [and education] expenses: *Provided,* That the general provisions of the Appropriation Act for the current fiscal year for the military functions of the Department of the Army shall apply to expenditures made from this appropriation: *Provided further,* That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355, [1136,] 3648, and 3734, Revised Statutes, as amended, *section 4774 (d) of title 10, United States Code,* civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further,* That expenditures may be made hereunder for the purposes of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of titles II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505 (a) and 522 (e) thereof: *Provided further,* That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including Territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further,* That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further,* That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred. (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$2,475,000** Estimate 1959, **$3,150,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration	$1,256,353	$1,405,000	$1,650,000
2. Construction of administration facilities			200,000
3. Exchange of persons	193,452	210,000	215,000
4. Aid to Ryukyuan economy	865,217	860,000	1,085,000
Total obligations	2,315,022	2,475,000	3,150,000
Financing:			
Unobligated balance no longer available	34,978		
Appropriation (new obligational authority)	2,350,000	2,475,000	3,150,000

This appropriation provides for administering the Ryukyu Islands. The United States is empowered by the treaty of peace with Japan to exercise jurisdiction over the territory and its 820,000 inhabitants. Pursuant to Executive Order 10713 of June 5, 1957, the Army is charged with developing an effective and responsible Ryukyuan Government, based on democratic principles and supported by a sound financial structure, and with improving the welfare and well-being of the inhabitants of the Ryukyu Islands. The civil administration established by the United States is headed by a High Commissioner. A system of military bases and other installations pertinent to the defense of the Pacific area has been developed in the islands. Since these islands are of critical strategic importance to the security of the free world, it is expected that the United States will be responsible for their administration for an indefinite period.

2. *Construction of facilities.*—A civil administration court building is to be built and furnished with funds requested for 1959.

3. *Exchange of persons.*—Provision is made for visits of Ryukyuan leaders and for a program of advanced study by Ryukyuan students in the United States.

4. *Aid to the Ryukyuan economy.*—Technical assistance is furnished for the education program in the Ryukyus. Grants are made to supplement the revenues of the local government in meeting the costs of essential governmental services and of public facilities. In 1959 $1 million is proposed for police, school, and hospital facilities.

United States Civil Administration.—In addition to the funds in this appropriation the United States Civil Administration utilizes other funds, including: income from business-type instrumentalities of the civil administration; earnings on foreign exchange deposits and income from investments in financial and public-utility organizations. Summary statements of assets and liabilities and of the cash receipts and expenditures of the general fund of the United States Civil Administration follow:

FINANCIAL CONDITION

	1957 actual	*1958 estimate*	*1959 estimate*
Assets:			
Current assets: Cash	$3,891,531	$1,126,033	$91,333
Investments:			
Ryukyu reconstruction finance fund	18,896,756	21,071,756	22,671,756
Ryukyu Electric Power Corp	7,395,315	8,365,315	11,215,315
Okinawa Housing Corp	2,480,739	2,250,739	2,020,739
Ryukyu Warehouse Co	486,068	456,068	426,068
Bank of Ryukyus	127,500	127,500	127,500
Ryukyu Life Insurance Co		5,555	5,555
Other investments	4,113,806	4,205,827	3,005,827
Water system			2,300,000
Fixed assets (net)	2,047,000	1,376,000	1,351,000
Total assets	39,438,715	38,984,793	43,215,093
Current liabilities	210,491		
Net worth, United States Civil Administration	39,228,224	38,984,793	43,215,093

The investments in the named business enterprises represent the total capital of the organizations, except in the case of the Bank and Life Insurance Company in each of which the United States Civil Administration holds 51% of the outstanding stock. In these two organizations, the investment is stated at cost but has a higher actual value because of accumulated undistributed earnings. In the wholly owned enterprises, the stated investment has been adjusted each year to reflect the net book value. Other investments are primarily related to financing of rice and petroleum products to meet requirements of the civilian economy. Fixed assets will represent only petroleum terminal and storage facilities, after the planned sale of a refrigeration plant in 1958.

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CASH RECEIPTS AND EXPENDITURES

	1957 actual	*1958 estimate*	*1959 estimate*
Receipts:			
Income from operations	$2,006,084	$2,439,300	$1,755,300
Liquidation of investments	2,966,751	1,019,979	1,200,000
Total receipts	4,972,835	3,459,279	2,955,300
Expenditures:			
Investments:			
Fixed assets: Petroleum facilities	----------	370,000	40,000
Capital, Ryukyu reconstruction finance fund	3,187,437	2,175,000	1,600,000
Capital, Ryukyu Electric Power Corporation	369,392	350,000	350,000
Capital, water system	----------	----------	1,800,000
Other investments	----------	923,777	----------
Total investments	3,556,829	3,818,777	3,790,000
Economic-aid programs:			
Grants to Government, Ryukyu Islands	873,199	1,486,000	----------
Grants to municipalities	185,784	375,000	200,000
Allocation to typhoon relief fund	----------	525,000	----------
USCAR expenses	181,589	20,000	----------
Total aid programs and expenses	1,240,572	2,406,000	200,000
Total expenditures	4,797,401	6,224,777	3,990,000
Net increase or decrease (−) in cash balance	175,434	−2,765,498	−1,034,700

Income from operations is derived primarily from the net earnings of the Ryukyu Electric Power Corporation and the Ryukyu reconstruction finance fund, from the purchase and sale of petroleum products, and from interest on time deposits of the dollar reserves for the occupation currency. No interest income is anticipated in 1959. The Okinawa Housing Corporation and the Ryukyu Warehouse Company operate at a loss each year as the revenues received are not sufficient to cover operating expenses and depreciation charges. Receipts from liquidation of investments represent reductions in the working capital used in financing the supply of rice and petroleum products in the Ryukyus and, in 1958, include the estimated return from the planned sale of a refrigeration plant.

The earnings of the Ryukyu Electric Power Corporation and the Ryukyu reconstruction finance fund are fully reinvested each year. Additional capital also is being invested in the reconstruction finance fund to assist in continued economic development by local enterprise and in financing the construction of typhoon-resistant family housing. In 1959, an investment of $1.8 million to supplement the proposed appropriation is planned to assist in development of an adequate water system to serve the civil population. Investments directly in fixed assets involve only essential additions to petroleum terminal facilities. Grants are made to the local central government and to municipalities for of essential public facilities and programs.

Government of the Ryukyu Islands.—The Government of the Ryukyu Islands was created by the United States Civil Administration on April 1, 1952. In addition to local revenues derived primarily from taxes on income and excise taxes, the Ryukyuan Government receives grants to cover expenses related to the requirements of the United States forces and for assistance in the development of public facilities and services. The Government of the Ryukyu Islands has not been authorized by the United States to incur deficits in its fiscal operations or to borrow for any purpose and it must therefore maintain a minimum working balance in its treasury. A financial statement of the Government of the Ryukyu Islands follows:

RECEIPTS AND EXPENDITURES AND BALANCE AVAILABLE, GOVERNMENT OF THE RYUKYU ISLANDS

	1957 actual	*1958 estimate*	*1959 estimate* [1]
Unexpended cash balance brought forward	$4,189,398	$5,592,176	$4,451,988
Receipts:			
Income taxes	5,225,766	6,287,336	6,702,184
Excise taxes	10,631,922	12,241,331	12,655,087
Other receipts	1,751,158	1,359,067	2,116,306

RECEIPTS AND EXPENDITURES AND BALANCE AVAILABLE, GOVERNMENT OF THE RYUKYU ISLANDS—continued

Receipts—Continued	*1957 actual*	*1958 estimate*	*1959 estimate*
U. S. assistance:			
Grants from appropriations	$758,333	$770,000	$1,000,000
Other U. S. funds	873,199	1,486,000	----------
Total receipts	19,240,378	22,143,734	22,473,577
Total receipts and balance	23,429,776	27,735,910	26,925,565
Expenditures:			
Education	4,884,799	7,092,256	7,125,564
Public health and welfare	2,480,386	3,426,484	3,847,276
Public safety	992,160	1,184,132	1,265,733
Public works and services	3,381,991	3,662,481	3,645,667
Economic development	2,599,500	3,545,249	3,490,400
General government	3,498,764	4,373,320	4,279,227
Total expenditures	17,837,600	23,283,922	23,653,867
Balance carried forward:			
Obligated	3,864,375	3,702,187	3,188,187
Unobligated	1,727,801	749,801	83,511
Total cash balance carried forward	5,592,176	4,451,988	3,271,698

[1] Preliminary; precedes Government of the Ryukyu Islands legislative action.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	ADMINISTRATION, RYUKYU ISLANDS			
	Total number of permanent positions	374	398	406
	Full-time equivalent of all other positions	1	1	2
	Average number of all employees	346	359	391
	Number of employees at end of year	340	366	398
	Average GS grade and salary	8.8 $6,099	8.9 $6,320	8.9 $6,355
01	Personal services:			
	Permanent positions	$917,547	$1,014,550	$1,134,138
	Positions other than permanent	4,424	2,000	13,000
	Other personal services	87,815	82,200	89,845
	Total personal services	1,009,786	1,098,750	1,236,983
02	Travel	45,058	67,285	137,137
03	Transportation of things	35,257	17,680	13,949
04	Communication services	44,836	45,250	44,675
05	Rents and utility services	5,613	6,100	21,050
06	Printing and reproduction	12,939	23,600	31,300
07	Other contractual services	292,531	291,104	293,087
08	Supplies and materials	38,718	54,459	55,225
09	Equipment	27,083	13,300	43,550
10	Land and structures	----------	----------	182,000
11	Grants, subsidies, and contributions	750,000	820,346	1,053,912
15	Taxes and assessments	729	1,126	1,132
	Total, administration, Ryukyu Islands	2,262,550	2,439,000	3,114,000
	ALLOCATION ACCOUNTS			
02	Travel	3,311	----------	----------
03	Transportation of things	2,000	2,000	2,000
05	Rents and utility services	614	----------	----------
07	Other contractual services	38,972	27,000	27,000
08	Supplies and materials	5,066	5,000	5,000
09	Equipment	2,509	2,000	2,000
	Total, allocation accounts	52,472	36,000	36,000
	Total obligations	2,315,022	2,475,000	3,150,000
	Obligations are distributed as follows:			
	Administration, Ryukyu Islands	$2,262,550	$2,439,000	$3,114,000
	United States Information Agency	36,513	36,000	36,000
	Department of Health, Education, and Welfare	15,959	----------	----------

CONSTRUCTION OF [POWER] *UTILITY* SYSTEMS, RYUKYU ISLANDS

For necessary expenses of construction, installation, and equipment of electric power systems in the Ryukyu Islands, which shall be operated by the Ryukyu Electric Power Corporation, an instrumentality of the United States Civil Administration of the Ryukyu Islands; *for necessary expenses of construction, installation and equipment of a water system in the Ryukyu Islands, which shall be operated by the United States Civil Administration of the Ryukyu Islands;* services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 a day for individuals; [$1,513,000] *and hire of passenger motor vehicles and aircraft; $6,000,000,* to remain available until expended, without regard to sections 355 and 3734 of the Revised Statutes, as amended, and title 10, United States Code, section 4774. (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$1,513,000** Estimate 1959, **$6,000,000**

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DEPARTMENT OF THE ARMY—Continued

ADMINISTRATION, RYUKYU ISLANDS—Continued

Current authorizations—Continued

CONSTRUCTION OF [POWER] *UTILITY* SYSTEMS, RYUKYU ISLANDS—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Transmission line and substations		$1,513,000	
2. Conventional powerplant			$3,359,000
3. Construction, installation, and equipment of water system			641,000
Total obligations		1,513,000	4,000,000
Financing:			
Unobligated balance carried forward			2,000,000
Appropriation (new obligational authority)		1,513,000	6,000,000

1. *Transmission line and substations.*—A transmission line, including four substations, is under construction and is expected to be in operation by June 30, 1959.

2. *Conventional powerplant.*—The 1959 estimate is for the construction and equipment of an additional 22,000-kilowatt generating plant, together with related facilities, expected to be placed in operation by March 31, 1961. This will then decrease the need for the use of high-cost, temporary facilities in order to supply power requirements in Okinawa, including those of the United States forces.

3. *Construction, installation, and equipment of water system.*—Provision is made for the construction of a dam and pumping station together with a supply line to provide an additional source of water to the civil population. These facilities are expected to be placed in operation by July 1, 1960, and to deliver 2 million gallons per day.

Object Classification

	1957 actual	1958 estimate	1959 estimate
10 Lands and structures		$1,513,000	$4,000,000

PANAMA CANAL

Current authorizations:

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

[Operating expenses:] For operating expenses necessary for the Canal Zone Government, including operation of the Postal Service of the Canal Zone; hire of passenger motor vehicles; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); expenses incident to conducting hearings on the Isthmus; expenses of attendance at meetings, when authorized by the Governor of the Canal Zone, of organizations concerned with activities pertaining to the Canal Zone Government; expenses of special training of employees of the Canal Zone Government as authorized by law (63 Stat. 602); contingencies of the Governor; residence for the Governor; medical aid and support of the insane and of lepers and aid and support of indigent persons legally within the Canal Zone, including expenses of their deportation when practicable; and payments of not to exceed $50 in any one case to persons within the Government service who shall furnish blood for transfusions; [$15,765,600] *$17,597,000. (2 C. Z. Code, sec. 5; 64 Stat. 1038; Department of Commerce and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$15,765,600** Estimate 1959, **$17,597,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Civil functions:			
(a) Customs and immigration	$414,183	$420,600	$420,600
(b) Postal service	1,092,932	1,106,700	1,117,200
(c) Police protection	1,557,079	1,593,200	1,615,600
(d) Fire protection	987,903	1,024,800	1,048,500
(e) Judicial system	63,682	70,500	66,300
(f) Education	3,205,530	3,314,200	3,338,500
(g) Public areas and facilities	1,242,017	1,338,300	1,572,400
(h) Library	100,320	104,400	104,400
(i) Internal security	98,773	107,700	108,800
(j) Other civil affairs	108,446	107,600	164,000
2. Health and sanitation:			
(a) Hospitals and clinics	5,557,068	5,521,100	6,240,000
(b) Other public health services	593,738	632,500	853,000
3. General Government expense:			
(a) Office of the Governor	62,285	56,400	59,500
(b) Other general government expense	1,422,644	1,395,900	1,465,700
Total operating costs	16,506,600	16,793,900	18,674,500
Depreciation on facilities and equipment capitalized under the capital outlay appropriation, not requiring financing (−)	−1,020,075	−1,028,300	−1,077,500
Other costs included above not requiring financing (−)	−33,113		
Net operating costs, funded	15,453,412	15,765,600	17,597,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−66,724		
Total program (obligations)	15,386,688	15,765,600	17,597,000
Financing:			
Unobligated balance no longer available	23,312		
Appropriation (new obligational authority)	15,410,000	15,765,600	17,597,000

This appropriation provides for those functions in the Canal Zone which, in the United States, would be performed by State and local governments and civilian departments of the Federal Government, and for the operation of hospitals and clinics. All operating expenses, including depreciation, are recovered and paid into Treasury as miscellaneous receipts. These are derived from revenues from individuals and agencies served and the balance from the Panama Canal Company as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Appropriations:			
Current or requested	$15,410,000	$15,765,600	$17,597,000
Proposed for later transmission		221,500	
Total appropriations	15,410,000	15,987,100	17,597,000
Repayments to Treasury (including depreciation):			
Revenue:			
Hospitals and clinics	2,906,406	2,900,000	3,159,600
Education	1,568,310	1,752,000	1,963,000
Postal service	858,595	870,000	935,000
Fire protection	554,550	681,200	673,500
All others	483,225	508,900	507,800
Total revenue	6,371,086	6,712,100	7,238,900
Net costs reimbursable by Panama Canal Company	10,135,514	10,303,300	11,435,600
Total repayments to Treasury	16,506,600	17,015,400	18,674,500

1. *Civil functions.*—(a) *Customs and immigration.*—This provides for the activities usually incident to such functions (except that no collection of customs duties is involved) and in addition includes special activities relating to transiting vessels and the execution of certain treaty obligations to the Republic of Panama.

(b) *Postal service.*—The postal system serves the entire Canal Zone and operates under policies and regulations generally similar to those of the United States Post Office Department, including money order and postal savings services. Beginning in 1959, rail transportation cost of mail across the Isthmus is transferred to this activity from the Panama Canal Company.

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WORKLOAD

	1957 actual	1958 estimate	1959 estimate
Airmail received and dispatched (pounds)	495,341	480,000	460,000
Surface mail dispatched (pounds)	483,973	460,000	450,000
Surface mail received (sacks)	85,734	83,000	81,000
Transit mail received and dispatched (sacks)	130,333	130,000	125,000

(*c*) *Police protection.*—This includes the usual police functions of preservation of the peace and enforcement of the law in the Canal Zone (not including military reservations), operation of prisons, and police guards for certain facilities.

(*d*) *Fire protection.*—Beginning in 1957, all firefighting facilities, including military reservations, were consolidated under the Canal Zone Government except for aircraft crashes and fires aboard naval vessels or in ammunition depots.

(*e*) *Judicial system.*—This includes the operation of two magistrate courts, and the expenses of the district court (exclusive of salaries) which serves as both a State and Federal court.

(*f*) *Education.*—This provides for the operation of schools, kindergarten through junior college, for the dependents of Canal Zone residents and, on a space available basis, to certain residents of Panama. There are two school systems, one for United States citizens, the other for Panamanians and other noncitizens conducted in the Spanish language. Specialized facilities for handicapped children were started in 1958. Cost increases exceed the amount that would be indicated by enrollment increases because of the extraordinary amount of maintenance work required in 1959; also, provision is made for improving the pupil-teacher ratio.

ENROLLMENT DATA

	1957 actual	1958 estimate	1959 estimate
Citizen schools	6,831	7,179	7,099
Noncitizen schools	4,003	4,028	4,110
Total	10,834	11,207	11,209

(*g*) *Public areas and facilities.*—This includes the cleaning, lighting, and maintenance of streets and highways, maintenance of sewers, and care of public areas, not including military reservations.

(*h*) *Library.*—This provides for the operation of public library facilities for residents and technical reference services for Government agencies.

(*i*) *Internal security.*—This provides for loyalty investigations and related intelligence services for the Government and the Company.

(*j*) *Other civil affairs.*—This includes licensing and civil defense activities and supervision of the civil functions program.

2. *Health and sanitation.*—A complete survey of the health requirements, including plant and services, was started in 1957 and will be continued in 1958. The survey is expected to provide the means for achieving major improvements in this field.

(*a*) *Hospitals and clinics.*—Two complete general medical and surgical hospitals with outpatient clinics, a neuropsychiatric and domiciliary hospital, and a leprosarium are operated and maintained. Medical care of all eligible civilians and military personnel in the Canal Zone is provided in the two general hospitals operated by the Government.

AVERAGE NUMBER OF INPATIENTS PER DAY (EXCLUDING NEWBORNS)

	1957 actual	1958 estimate	1959 estimate
Gorgas Hospital	262.5	287.0	287.0
Coco Solo Hospital	93.7	90.0	90.0
Corozal Hospital	262.7	265.0	265.0
Palo Seco Leprosarium	117.7	124.0	124.0
Total	736.6	766.0	766.0

(*b*) *Other public health services.*—This provides for sanitation and quarantine work in the Canal Zone and for ships calling at its ports and transiting the canal. A large growth in the number of anopheles mosquitoes, the carriers of malaria, was found late in 1957. To prevent a serious outbreak of this disease, an intensive program was started in 1958, and will be continued on a modified scale in 1959, to eliminate the breeding sources of this insect. Beginning in 1959 there will be consolidated under the Canal Zone Government all inspection of food processing establishments as well as facilities for animal care and quarantine.

3. *General Government expense*—(*a*) *Office of the Governor.*—This provides for the executive direction of all Canal Zone Government activities and includes the expense of the office of the Governor and his residence, and the office of the executive secretary.

(*b*) *Other general Government expenses.*—This includes the Canal Zone Government's share of the cost of general and administrative expense, provided by the Company, which the Government is without staff or facilities to perform or furnish, expenses of recruitment and repatriation, employees' home leave travel costs, and other general charges.

During 1957 net write-offs of prior capitalizations amounted to $33,113, principally for costs of engineering studies, designs, and specifications for abandoned construction projects.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	1957 actual	1958 estimate	1959 estimate
Selected resources at end of year:				
Inventories and items on order: Stores (goods unconsumed by projects)	$111,234	$125,511	$125,511	$125,511
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)	45,280	52,253	52,253	52,253
Accrued annual leave (leave earned and not yet taken by employees charged to activity costs) (−)	−1,533,865	−1,626,179	−1,626,179	−1,626,179
Total selected resources at end of year	−1,377,351	−1,448,415	−1,448,415	−1,448,415
Selected resources at start of year		1,377,351	1,448,415	1,448,415
Adjustment of selected resources reported at start of year		4,340		
Costs financed from obligations of other years, net (−)		−66,724		

A proposal for later transmission to provide supplemental funds for 1958 appears below.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions:						
U. S. rates		1,191		1,204		1,260
Military rates		18		19		19
Local rates		1,191		1,175		1,264
Full-time equivalent of all other positions:						
U. S. rates		37		37		39
Local rates		46		49		49
Average number of all employees:						
U. S. rates		1,206		1,215		1,272
Military rates		18		19		19
Local rates		1,237		1,224		1,313
Number of employees at end of year:						
U. S. rates		1,249		1,287		1,352
Military rates		18		19		19
Local rates		1,302		1,248		1,324
Average salaries and grades:						
GS grades: U. S. rates: Average salary and grade	6.7	$6,470	6.7	$6,517	6.9	$6,672
Postal field service grades: U. S. rates: Average salary and grade	4.8	$5,758	4.8	$5,809	4.9	$5,841
Grades established for policemen: U. S. rates		$6,091		$6,105		$6,163
Grades established for firemen: U. S. rates		$6,727		$6,834		$6,902
Grades established for teachers: U. S. rates		$6,504		$6,515		$6,523

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DEPARTMENT OF THE ARMY—Continued

PANAMA CANAL—Continued

Current authorizations—Continued

CANAL ZONE GOVERNMENT—Continued

OPERATING EXPENSES—continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average salaries and grades—Continued			
Average salary of ungraded positions:			
U. S. rates	$4,876	$5,016	$5,115
Local rates	$1,533	$1,599	$1,639
01 Personal services:			
Permanent positions:			
U. S. rates	$7,352,073	$7,460,291	$7,935,399
Military rates	194,599	202,972	202,972
Local rates	1,826,324	1,879,073	2,071,499
Positions other than permanent:			
U. S. rates	234,448	240,074	251,394
Local rates	70,374	78,846	80,040
Other personal services:			
U. S. rates	342,732	374,809	393,978
Local rates	129,746	125,035	141,818
Total personal services:			
U. S. rates	7,929,253	8,075,174	8,580,771
Military rates	194,599	202,972	202,972
Local rates	2,026,444	2,082,954	2,293,357
02 Travel	400,656	435,300	486,700
03 Transportation of things	$263,382	$287,700	$330,200
04 Communication services	74,024	78,100	79,100
05 Rents and utility services	120,459	121,400	122,300
06 Printing and reproduction	25,550	49,600	54,300
07 Other contractual services	2,509,078	2,563,100	3,397,300
08 Supplies and materials	1,105,513	1,100,800	1,227,200
09 Equipment	12,773	3,600	18,200
11 Grants, subsidies, and contributions	448,032	490,800	530,500
12 Pensions, annuities, and insurance claims	148,355	146,100	146,100
13 Refunds, awards, and indemnities	1,812	2,500	2,500
14 Interest	120,425	120,000	120,000
15 Taxes and assessments	6,333	5,500	5,500
Total obligations	15,386,688	15,765,600	17,597,000

CAPITAL OUTLAY

[Capital outlay:] For acquisition of land and land under water and acquisition, construction, and replacement of improvements, facilities, structures, and equipment, as authorized by law (2 C. Z. Code, secs. 3 and 16; 63 Stat. 600), including the purchase of not to exceed eight passenger motor vehicles for replacement only; and expenses incident to the retirement of such assets; [$1,000,000] *$4,800,000*, to remain available until expended. (*2 C. Z. Code, secs. 3, 5, 16; 64 Stat. 1038; Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000** Estimate 1959, **$4,800,000**

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1959	Appropriation required to complete
Program by activities:									
1. Replacements, additions and renewals of equipment	$854,834	$95,870	$177,497	$286,167	$264,900	$94,100	$30,400	$201,200	
2. Additions and replacements to municipal systems	225,915	54,336	23,039	98,040	47,000	33,500	3,500	17,000	
3. Road and street replacements	416,039	203,066	95,141	107,832	10,000			10,000	
4. Advance planning of future projects	51,098	1,709	7,397	21,992	20,000			20,000	
5. Retirement and removal costs	33,497	4,062	6,213	12,022	10,000	1,200	1,200	10,000	
6. Minor capital additions and replacements	67,553	3,251	20,846	21,156	20,000	2,300	2,300	20,000	
7. Prior year projects	2,149,051	1,213,680	377,323	556,048	2,000	2,000			
8. Sewage disposal, Pacific side	940,000	16,270	225,471	113,259	163,000	499,800	336,800		$85,200
9. Replace two pumps, Rainbow City north sewage sump	14,400				14,400			14,400	
10. Improvements, additions and replacements to school plant	334,481	155,719	70,108	38,654	63,000	47,000	7,000	23,000	
11. Activities building—ROTC armory for high school and junior college, Balboa	656,000		5,813	290,187	360,000	360,000			
12. Improvements, additions and replacements to school physical education and playground facilities	211,800	1,826	82,547	111,727	13,000	12,700	2,700	3,000	
13. Secondary school plant, Balboa	1,381,100				30,000			30,000	1,351,100
14. Modernization, renovation and improvement, Gorgas Hospital	80,000				80,000			80,000	
15. Modernization, renovation and improvement, Corozal Hospital	639,500				112,000			112,000	527,500
16. Improvements to Coco Solo Hospital	128,400				128,400			128,400	
17. Community recreational facilities program	6,000				6,000			6,000	
18. Space studies, Gorgas Hospital	65,000			15,000	50,000			50,000	
19. Replacements of facilities to be transferred to Republic of Panama (lost as a result of treaty commitments):									
(*a*) School facilities	4,060,000			70,000	3,990,000			3,990,000	
(*b*) Outpatient clinic	90,000			5,000	85,000			85,000	
Total program costs	12,404,668	1,749,789	1,091,395	1,747,084	5,468,700	1,052,600	383,900	4,800,000	1,963,800
Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)					−330,000				
Obligations incurred for costs of other years (unpaid undelivered orders), net			3,552	186,170					
Total program (obligations)			1,094,947	1,933,254	5,138,700				
Financing:									
Unobligated balance brought forward			−2,693,701	−1,598,754	−665,500				
Unobligated balance carried forward			1,598,754	665,500	326,800				
Appropriation (new obligational authority)				1,000,000	4,800,000				

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This provides for the acquisition by purchase, construction, or otherwise, of capital assets required by the Canal Zone Government. The principal projects to be undertaken in 1959 are: (*a*) Continuing the replacement in the Canal Zone of facilities to be transferred to the Republic of Panama under the terms of the 1955 treaty. In 1959, this includes (1) $3,990,000 for a school plant, and (2) $85,000 for a medical clinic, both on the Atlantic side of the Isthmus; and (*b*) other capital outlay requirements, including (1) $264,900 for replacements, additions and renewals of equipment, (2) $112,000 for modernization of the psychiatric hospital, (3) $128,400 for improvements to the Atlantic side hospital and (4) $50,000 for space studies at Gorgas Hospital.

Relation of costs to obligations.—The year-end balances of undelivered orders are as follows: 1956, $197,378; 1957, $200,930; 1958, $387,100; 1959, $57,100.

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$9,964	$37,013	$88,055
09	Equipment	174,973	335,131	365,125
10	Lands and structures	910,010	1,561,110	4,685,520
	Total obligations	1,094,947	1,933,254	5,138,700

[Panama Canal Company]

Panama Canal Bridge

For expenses necessary for [work preliminary to] the construction of a high-level bridge across the Panama Canal at Balboa, Canal Zone, as authorized by the Act of July 23, 1956 (70 Stat. 596), [$750,000] *$19,250,000,* to remain available until expended. (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$750,000** Estimate 1959, **$19,250,000**

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1959	Appropriation required to complete
Program by activities:									
1. Investigation, design, and supervision	$1,200,000			$325,000	$476,000	$425,000	$399,000	$450,000	
2. Construction	18,800,000				2,624,000		16,176,000	18,800,000	
Total program costs	20,000,000			325,000	3,100,000	425,000	16,575,000	19,250,000	
Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net				371,000	3,495,000				
Total program (obligations)				696,000	6,595,000				
Financing:									
Unobligated balance brought forward					−54,000				
Unobligated balance carried forward				54,000	12,709,000				
Appropriation (new obligational authority)				750,000	19,250,000				

A supplemental appropriation of $750,000 was enacted in 1958 to provide for certain activities preliminary to the construction of a high-level bridge across the Panama Canal at Balboa, Canal Zone, as authorized by the act of July 23, 1956. The appropriation for 1959 is to complete the preliminary work and to construct the bridge in fulfillment of the United States treaty commitments to the Republic of Panama.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1958, $371,000; 1959, $3,866,000.

Object Classification

		1957 actual	1958 estimate	1959 estimate
10	Lands and structures		$696,000	$6,595,000

Public enterprise funds:

Corporation

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to it and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1958] *1959* for such corporation, except as hereinafter provided: (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

Panama Canal Company

PANAMA CANAL COMPANY FUND

Program and Financing

	Costs			Obligations (capital outlay)		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Program by activities:						
Operating costs:						
1. Canal operations	$18,001,379	$19,580,000	$18,553,700			
2. Allied maritime operations	5,857,960	5,507,900	5,694,200			
3. Employee services	23,226,278	16,886,000	17,191,800			
4. Transportation and utility services	8,755,902	8,489,400	8,620,900			
5. Other supporting services	2,397,297	2,094,400	2,122,200			
6. General corporate expense:						
(*a*) Net cost of Canal Zone Government	10,135,514	10,303,300	11,435,600			
(*b*) Interest payable to Treasury	8,867,932	8,857,900	8,922,100			
(*c*) Other	6,458,847	7,097,200	6,989,400			
Net gain from sale of SS. *Panama*	−4,272,104					
Adjustment applicable to prior year operations	1,206,626					
Total operating costs	80,635,631	78,816,100	79,529,900			
Depreciation and capital adjustments to above (−)	−5,347,634	−5,361,400	−5,478,700			
Change in reserve for locks overhaul	−1,026,990	1,881,125	−1,010,800			

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DEPARTMENT OF THE ARMY—Continued

PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

Program and Financing—Continued

	Costs			Obligations (capital outlay)		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued						
Operating costs—Continued						
Adjustment of cost included above not requiring funding	$5,038,632					
Total operating costs, funded	79,299,639	$75,335,825	$73,040,400			
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,589,900	−281,459	−243,000			
Total operating program (obligations)	77,709,739	75,054,366	72,797,400			
Capital outlay:						
1. Canal projects:						
(a) Conversion of locks to 60-cycle	10,251	308,534	2,542,600	$7,751	$3,648,534	$166,600
(b) Towing locomotives and cranes, locks	−13,307		1,397,400	−13,307		5,477,400
(c) Channel improvements, Paraiso curve	19,554	862,446	918,000	19,554	1,070,446	710,000
(d) Panama Canal improvements, capacity program			1,023,000			7,458,000
(e) Replace tug, navigation division			100,000			1,150,000
(f) Other canal projects	992,742	1,479,041	343,500	1,096,370	1,474,275	197,500
2. Allied maritime projects	219,625	529,202	387,500	274,405	365,338	387,500
3. Employee services projects	247,490	987,741	443,800	301,922	928,468	393,800
4. Transportation and utility services projects:						
(a) Conversion of power system to 60-cycle	2,819,358	3,081,904	1,946,900	1,770,864	3,325,685	673,300
(b) Other transportation and utility services projects	705,776	1,385,093	1,485,800	907,708	1,625,305	1,002,100
5. Other supporting services projects	236,430	465,005	325,300	252,867	419,163	325,300
6. General corporate projects:						
(a) Air condition administration building, Balboa Heights		170,000	580,000		725,000	25,000
(b) Other general corporate projects	75,053	475,163	435,000	64,717	672,502	230,000
Total capital outlay costs, funded	5,312,972	9,744,129	11,928,800			
7. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)	−630,121					
Obligations incurred for costs of other years, net		4,510,587	6,267,700			
Total capital outlay (obligations)	4,682,851	14,254,716	18,196,500	4,682,851	14,254,716	18,196,500
Total program (obligations)	82,392,590	89,309,082	90,993,900			
Financing:						
Amounts becoming available (revenues and receipts):						
Tolls at current rates	38,513,404	40,840,000	41,045,500			
Credit for tolls on U. S. Government vessels	1,140,116	1,250,000	1,250,000			
Miscellaneous canal income	3,897,309	3,692,500	3,704,500			
Allied maritime income	7,223,669	6,923,200	7,117,000			
Sales of commodities	22,818,851	16,019,600	16,415,000			
Sales of services	13,011,706	12,716,500	12,805,900			
Proceeds from sale of fixed assets	2,720,484	1,269,500	1,269,500			
General corporate revenue	167,510	284,900	247,500			
General and administrative expense recovered from Canal Zone Government	750,000	750,000	750,000			
Total amounts becoming available	90,243,049	83,746,200	84,604,900			
Unobligated balance brought forward:						
Cash	5,017,453	12,867,912	7,305,030			
Appropriation (emergency fund)	10,000,000	10,000,000	10,000,000			
Total amounts available	105,260,502	106,614,112	101,909,930			
Unobligated balance carried forward:						
Cash	−12,867,912	−7,305,030	−916,030			
Appropriation (emergency fund)	−10,000,000	−10,000,000	−10,000,000			
Financing applied to program	82,392,590	89,309,082	90,993,900			

The Panama Canal Company is a wholly owned Government corporation chartered by the act of June 29, 1948 (62 Stat. 1076), as amended by the act of September 26, 1950 (64 Stat. 1041), for the primary purpose of maintaining and operating the interoceanic canal at the Isthmus of Panama. In furtherance of that mission, and in consideration of the international agreements under which the canal enterprise is operated, the Company conducts necessary supporting operations.

The valuation of assets transferred to the Company from its predecessor agency was approved by the Director, Bureau of the Budget, on September 9, 1957, pursuant to section 246 (b) of title 2, Canal Zone Code. The financial status and results of operations, both for 1957 and as estimated in the budget program shown in the accompanying statements, reflect this action.

This valuation of assets established the net interest bearing investment of the Panama Canal Company as at July 1, 1951, as follows:

Approved valuation of properties transferred from the Panama Canal (agency)	$402,095,947
Capital stock of original Panama Railroad Company	7,000,000
Gross interest bearing investment	409,095,947
Less dividends and other charges deductible from direct investment	35,754,861
Net interest bearing investment, July 1, 1951	373,341,086

As a result of dividends paid to the Treasury and net property transfers subsequent to July 1, 1951, the net interest bearing investment at June 30, 1957, stood at $356,885,966. The resultant total interest expense payable to the Treasury for the years 1952 through 1957 was $50,280,491. For 1958 and 1959, at interest rates of 2.482% and 2.5% interest costs will be $8,587,900 and $8,922,100, respectively.

Budget program—1. *Canal operations.*—This is the primary program of the Company and comprises the transiting operations and the maintenance of the canal. The number of ships using the canal continues to increase more rapidly than anticipated with a corresponding increase in receipts from operations. In 1959 a test of miter gate removal and overhaul will be made to ascertain whether lock overhauls can be shortened. Costs for these operations are shown in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Maintenance of channels and harbors	$2,975,844	$3,464,600	$2,440,300
Navigation service and control	5,921,243	6,210,000	6,320,000
Locks operations	7,632,169	8,352,400	8,302,200
General canal expense	1,472,123	1,553,000	1,491,200
Total operating costs	18,001,379	19,580,000	18,553,700

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The volume of traffic is shown by the following data:

	1956 actual	1957 actual	1958 estimate	1959 estimate
Selected data on canal operations:				
Commercial vessel transits:				
Number of ships (over 300 net P. C. tons)	8,209	8,579	8,880	9,100
Tonnage (Panama Canal net)	41,273,020	43,714,264	44,463,000	44,806,000
Ships berthed	4,573	5,331	5,400	5,500
Tolls and toll credits at current rates	$36,219,085	$39,653,520	$42,090,000	$42,295,500
Other canal revenues	$3,406,042	$3,897,309	$3,692,500	$3,704,500

Capital outlay costs amount to $6,324,500 in 1959 and are mainly for (1) starting canal improvements that are expected to accommodate projected traffic requirements for 1 or 2 decades, $1 million; (2) continuing the conversion of locks electrical distribution and equipment from 25 to 60 cycles, $2.5 million; (3) locks, towing locomotives and cranes, $1.4 million; and (4) channel improvement work at Paraiso curve in Gaillard Cut, $0.9 million.

2. *Allied maritime operations.*—These consist of vessel repair facilities, and harbor terminal and marine bunkering operations. The Hotel Washington, formerly in this group, was transferred to the Republic of Panama on November 7, 1957, under the 1955 treaty with that country. Costs depend upon customer demand for service as follows:

	1957 actual	1958 estimate	1959 estimate
Vessel repair	$1,767,346	$1,240,000	$1,327,200
Harbor terminals	3,944,395	4,205,000	4,367,000
Hotel Washington	146,219	62,900	----------
Total costs	5,857,960	5,507,900	5,694,200

Capital outlay costs include routine replacement of cargo-handling equipment of $141,500 and reroofing one of the terminal piers of $190,000.

3. *Employee services.*—As shown below, these costs include housing, commissary, and community services for eligible employees against whom charges are made to reimburse the Company.

	1957 actual	1958 estimate	1959 estimate
United States rate housing	$1,544,873	$1,554,700	$1,590,600
Local rate housing	651,581	679,000	658,100
Commissaries	20,176,690	13,985,000	14,285,800
Service centers	3,261,804	2,827,400	2,794,600
Total	25,634,948	19,046,100	19,329,100
Less intra-agency recoveries	2,408,670	2,160,100	2,137,300
Net operating costs	23,226,278	16,886,000	17,191,800

There has been a decline of 40% in the volume of business since the end of calendar year 1956 due to the reduction in sales of consumer goods to employees resulting from a provision in the 1955 treaty prohibiting Panamanian employees not residing in the Canal Zone from patronizing the Company's commissaries and service centers after December 31, 1956.

Capital outlay projects include completion of employee quarters and other facilities in the Canal Zone amounting to $125,000 to replace those lost to the Republic of Panama as a result of treaty commitments. Other projects provide for routine equipment replacements of $158,500, and replacement of a service station on the Pacific side amounting to $150,000.

4. *Transportation and utility services.*—Estimated 1959 gross costs of $13.5 million approximates the same level as for 1957 and 1958. The annual costs for the activities comprising this group are:

	1957 actual	1958 estimate	1959 estimate
Railroad	$1,429,311	$1,371,000	$1,386,000
Motor transportation	1,538,053	1,597,000	1,648,000
Steamship line	6,778,969	6,314,600	6,296,500
Power system	2,019,411	2,371,600	2,418,400
Communications system	494,760	529,600	558,300
Water system	1,237,500	1,216,100	1,233,900
Total	13,498,004	13,399,900	13,541,100
Less intra-agency recoveries	4,742,102	4,910,500	4,920,200
Net operating costs	8,755,902	8,489,400	8,620,900

Capital outlay costs total $3,432,700 in 1959 and are mainly for (1) continuing the conversion of the power system to 60 cycles, $1,900,000; (2) completing the replacement of the switchgear at a power substation, $500,000; and (3) replacing a portion of the trans-Isthmian telephone cable, $300,000.

5. *Other supporting services.*—Costs of this group follow:

	1957 actual	1958 estimate	1959 estimate
Tivoli guest house	$341,449	$321,300	$320,100
Printing plant	338,787	344,000	355,000
Grounds maintenance	958,456	984,100	1,013,400
Engineering and maintenance services	4,275,492	4,247,900	4,573,800
Supply operations	5,174,062	4,828,900	4,640,100
Total	11,088,246	10,726,200	10,902,400
Less intra-agency recoveries	8,690,949	8,631,800	8,780,200
Net operating costs	2,397,297	2,094,400	2,122,200

Capital outlay costs total $325,300 for 1959 and are for minor replacements of equipment.

6. *General corporate expense.*—These include payments to the Treasury for the net cost of Canal Zone Government and interest, general and administrative expenses under statutory limitation, and other general charges. The scope of general and administrative expenses under statutory limitation was broadened in 1958 to include virtually all general charges other than interest on the investment of the United States and the net cost of the Canal Zone Government. In 1959 the latter is expected to be about $1 million higher than in 1958 in the education and hospital fields.

Capital outlay costs amount to $1,015,000 in 1959 of which $580,000 is for completing the installation of air conditioning equipment in, and modernization of, the Company's main administration building constructed in 1914.

7. *Relation of costs to obligations.*—The relationship is derived by year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	1957 actual	1958 estimate	1959 estimate
Selected resources at end of year:				
Inventories	$8,664,576	$7,928,134	$7,900,000	$7,900,000
Other current assets	669,694	193,325	200,000	200,000
Deferred charges	3,622,465	4,148,849	3,888,849	3,645,849
Unpaid undelivered orders	6,762,044	5,808,480	10,319,067	16,586,767
Total selected resources at end of year	19,718,779	18,078,788	22,307,916	28,332,616
Selected resources at start of year (−)		−19,718,779	−18,078,788	−22,307,916
Adjustment of selected resources reported at start of year		−580,030	----------	----------
Costs financed from obligations of other years, net (−)		−2,220,021	----------	----------
Obligations incurred for costs of other years, net		----------	4,229,128	6,024,700

Operating results and financial condition.—It is expected that the foregoing budget programs will continue to be financed entirely from revenues. The resulting operating margin is expected to remain fairly stable through 1959, as shown in the operating statements below.

In addition, the Company is authorized to obtain appropriations for its capital needs and to cover losses sustained in the conduct of its activities. It may borrow without interest up to $10 million from an emergency fund established with the Treasury by deposits made by the Company. To date it has not been necessary to use this fund.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Operations	$78,927,541	$71,997,900	$72,767,400
Locks overhauls	13,810	2,921,925	----------
Capital outlay	5,312,972	9,744,129	11,928,800
Acquisition of other assets (noncapital items)	304,642	156,000	30,000
Increase in selected working capital	----------	1,903,495	----------
Total gross expenditures	84,558,965	86,723,449	84,726,200
Receipts from operations (funds provided):			
Revenue from all sources	90,243,049	83,746,200	84,604,900
Decrease in selected working capital	2,966,568	----------	595,300
Total receipts from operations	93,209,617	83,746,200	85,200,200
Budget expenditures	−8,650,652	2,977,249	−474,000

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DEPARTMENT OF THE ARMY—Continued

PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

Consolidated Statement of Revenue and Expense

	1957 actual	1958 estimate	1959 estimate
Revenue:			
Tolls at current rates	$38,513,404	$40,840,000	$41,045,500
Credit for tolls on U. S. Government vessels	1,140,116	1,250,000	1,250,000
Miscellaneous	11,120,978	10,615,700	10,821,500
Total revenue, canal and allied maritime operations	50,774,498	52,705,700	53,117,000
Expense:			
Operating expense, canal and allied maritime operations [1]	23,859,339	25,087,900	24,247,900
Net cost of Canal Zone Government	10,135,514	10,303,300	11,435,600
Interest payable to Treasury	8,867,932	8,857,900	8,922,100
Other general corporate charges [2]	5,541,337	6,062,300	5,991,900
Total expense	48,404,122	50,311,400	50,597,500
Operating income	2,370,376	2,394,300	2,519,500
Other income:			
Operating income, employee services [1]	802,554	629,200	660,400
Operating income, transportation and utilities services [1]	391,990	283,600	306,000
Operating income, other supporting services [1]	256,536	353,500	319,600
Total other income	1,451,080	1,266,300	1,286,000
Net operating income	3,821,456	3,660,600	3,805,500

[1] Including provisions for depreciation.
[2] After direct assessment of assignable charges.

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Canal operations:			
Revenue	$43,550,829	$45,782,500	$46,000,000
Expense	18,001,379	19,580,000	18,553,700
Net operating income, canal operations	25,549,450	26,202,500	27,446,300
Allied maritime operations:			
Revenue	7,223,669	6,923,200	7,117,000
Expense	5,857,960	5,507,900	5,694,200
Net operating income, allied maritime operations	1,365,709	1,415,300	1,422,800
Employee services:			
Revenue	24,028,832	17,515,200	17,852,200
Expense	23,226,278	16,886,000	17,191,800
Net operating income, employee services	802,554	629,200	660,400
Transportation and utilities services:			
Revenue	9,147,892	8,773,000	8,926,900
Expense	8,755,902	8,489,400	8,620,900
Net operating income, transportation and utilities services	391,990	283,600	306,000
Other supporting services:			
Revenue	2,653,833	2,447,900	2,441,800
Expense	2,397,297	2,094,400	2,122,200
Net operating income, other supporting services	256,536	353,500	319,600
General corporate expense (−):			
Revenue	167,510	284,900	247,500
Assessment to Canal Zone Government	750,000	750,000	750,000
Net cost of Canal Zone Government	−10,135,514	−10,303,300	−11,435,600
Interest	−8,867,932	−8,857,900	−8,922,100
Other	−6,458,847	−7,097,200	−6,989,400
Net general corporate expense (−)	−24,544,783	−25,223,500	−26,349,600
Net operating income for the year	3,821,456	3,660,600	3,805,500
Nonoperating income:			
Proceeds from sale of SS. *Panama*	5,704,000		
Deduct net book value of SS. *Panama*	1,431,896		
Net gain from sale of SS. *Panama*	4,272,104		
Net income for the year	8,093,560	3,660,600	3,805,500

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$78,677,449	$85,564,383	$89,224,983
Capitalization of plant previously charged to expense, less plant write-offs	63,936		
Reversal of reserve for cost of 25-cycle power conversion in accordance with revised plant valuation	1,181,107		
Changes in interest payable to Treasury for prior years resulting from revision of revaluation of net direct investment	−1,628,109		
Depreciation, amortization, and economic valuation allowance adjustment due primarily to revised plant valuation	−737,976		
Other adjustments, net	−85,584		
Retained earnings, end of year	85,564,383	89,224,983	93,030,483

Financial Condition

Assets:			
Cash with Treasury and in banks	$29,530,979	$26,553,730	$27,027,730
Cash in transit (allocation from other agencies)	32,349		
Accounts receivable, net	5,021,413	5,000,000	5,000,000
Inventories	7,928,134	7,900,000	7,900,000
Other current assets	193,325	200,000	200,000
Long-term notes receivable	3,208,500	2,139,000	1,069,500
Properties, plant, and equipment, net	411,499,427	415,682,156	421,932,256
Other assets (deferred charges)	4,148,849	3,888,849	3,645,849
Total assets	461,562,976	461,363,735	466,775,335
Liabilities:			
Current	15,908,349	13,929,633	14,524,933
Reserves:			
For periodic overhauls of canal locks	3,204,278	1,323,153	2,333,953
Government investment:			
Interest-bearing investment:			
Start of year	342,465,445	356,885,966	356,885,966
Adjustment to valuation of assets transferred	14,420,521		
End of year	356,885,966	356,885,966	356,885,966
Retained earnings	85,564,383	89,224,983	93,030,483
Total Government investment	442,450,349	446,110,949	449,916,449

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury and in banks	$20,880,327	$29,530,979	$26,553,730	$27,027,730
Budget authorizations	10,000,000	10,000,000	10,000,000	10,000,000
Total unexpended balance	30,880,327	39,530,979	36,553,730	37,027,730
Obligated balances, net:				
Current liabilities	13,736,371	15,908,349	13,929,633	14,524,933
Unpaid undelivered orders	6,762,044	5,808,480	10,319,067	16,586,767
Accounts receivable, net and cash in transit (allocation from other agencies) (−)	−4,635,541	−5,053,762	−5,000,000	−5,000,000
Total obligated balance	15,862,874	16,663,067	19,248,700	26,111,700
Unobligated balance	15,017,453	22,867,912	17,305,030	10,916,030

NOTE.—The Company has outstanding at all times an indeterminate amount of contingent and continuing liabilities, not reflected in the accounts, arising principally from monthly relief benefits payable to retired alien employees, compensation payments due employees and their dependents under the provisions of the Federal Employees Compensation Act, suits and claims pending against the Company, uncompleted supply, service, rental, and construction contracts, and unfilled purchase orders. The foregoing figures do not include a contingent liability in excess of $27 million representing a tolls suit pending against the Company which was filed by certain shipping interests in New York on Sept. 13, 1955. The court dismissed this but it was later appealed. The matter now pends in the Supreme Court of the United States.

LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES, PANAMA CANAL COMPANY

Not to exceed [$7,820,000] *$7,976,000* of the funds available to the Panama Canal Company shall be available during the current fiscal year for general and administrative expenses of the Company, which shall be computed on an accrual basis. Funds available to the Panama Canal Company for operating expenses shall be available for the purchase of not to exceed [seventeen] *eighteen* passenger motor vehicles for replacement only, [including one at not to exceed $5,000,] and for uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131). (*Department of Commerce and Related Agencies Appropriation Act, 1958.*)

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$578,417	$683,400	$682,200
2. Operations direction		565,300	571,700
3. Financial management	1,988,701	2,316,000	2,433,700
4. Personnel administration	514,128	602,500	571,300
5. General services	533,701	697,800	738,500
6. Employment costs:			
(a) Alien cash relief		1,930,700	1,971,700
(b) Employees' States travel	72,958	640,200	631,900
(c) Other	35,589	384,100	375,000
Total accrued costs	3,723,494	7,820,000	7,976,000
Financing:			
Revenue not included in limitation	−73,505		
Unexpended balance no longer available	29,011		
Limitation	3,679,000	7,820,000	7,976,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
UNITED STATES AND HAITI			
Total number of permanent positions:			
U. S. rates	526	388	387
Local rates	9	9	9
Full-time equivalent of all other positions:			
U. S. rates	26	21	20
Local rates	1		
Average number of all employees:			
U. S. rates	479	407	405
Local rates	10	9	9
Number of employees at end of year:			
U. S. rates	405	346	346
Local rates	10	9	9
Average GS grade and salary: U. S. rates	6.6 $4,888	6.8 $5,104	6.8 $5,217
Average salary of ungraded positions:			
U. S. rates	$4,601	$4,989	$5,371
Local rates	$1,787	$1,766	$1,766
01 Personal services:			
Permanent positions:			
United States and possessions	$2,150,572	$1,929,536	$2,041,256
Foreign countries:			
U. S. rates	12,500	12,500	12,500
Local rates	16,087	15,900	15,900
Positions other than permanent:			
United States and possessions	124,457	109,100	109,600
Foreign countries: Local rates	900	600	600
Other personal services:			
Regular pay above 52-week base:			
U. S. rates	2,142	2,241	2,279
Payment above basic rates:			
United States and possessions	520,843	498,423	499,265
Foreign countries: Local rates	2,542	2,400	2,400
Total personal services:			
U. S. rates	2,810,514	2,551,800	2,664,900
Local rates	19,529	18,900	18,900
Deduct portion not chargeable to limitation	2,770,340	2,347,100	2,456,200
Net personal services	59,703	223,600	227,600
02 Travel	520	2,500	2,500
03 Transportation of things	40	300	300
04 Communication services	2,783	7,100	7,300
05 Rents and utility services	10,455	25,300	25,300
06 Printing and reproduction	21	1,600	1,600
07 Other contractual services	3,473	9,300	9,600
08 Supplies and materials	1,385	4,800	4,800
11 Grants, subsidies, and contributions	3,644	13,200	13,400
12 Pensions, annuities, and insurance claims	656	700	700
15 Taxes and assessments		200	200
Depreciation	616	2,900	2,900
Total, United States and Haiti	83,296	291,500	296,200
ISTHMUS			
Total number of permanent positions:			
U. S. rates	2,505	2,386	2,376
Military rates	7	6	6
Local rates	6,678	6,075	5,900
Full-time equivalent of all other positions:			
U. S. rates	23	107	32
Local rates	1,895	2,068	1,770
Average number of all employees:			
U. S. rates	2,458	2,407	2,321
Military rates	7	6	6
Local rates	8,573	8,143	7,670

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ISTHMUS—continued			
Number of employees at end of year:			
U. S. rates	2,373	2,454	2,392
Military rates	7	6	6
Local rates	8,829	8,617	8,419
Average GS grade and salary: U. S. rates	7.0 $6,538	7.2 $6,696	7.2 $6,778
Average salary of ungraded positions:			
U. S. rates	$7,135	$7,582	$7,898
Local rates	$1,489	$1,593	$1,664
01 Personal services:			
Permanent positions:			
U. S. rates	$16,727,794	$16,559,271	$16,918,059
Military rates	73,768	62,674	62,674
Local rates	9,949,032	9,676,252	9,819,685
Positions other than permanent:			
U. S. rates	158,006	774,610	239,272
Local rates	2,821,542	3,294,133	2,944,641
Other personal services:			
Regular pay above 52-week base:			
U. S. rates	28,163	67,081	69,521
Payment above basic rates:			
U. S. rates	1,046,003	1,308,276	938,241
Local rates	1,217,497	1,265,966	1,150,951
Excess of annual leave earned over leave taken:			
U. S. rates		71,080	27,604
Local rates	90,351		
Excess leave taken (−) over leave earned:			
U. S. rates	−122,282		
Total personal services:			
U. S. rates	17,837,684	18,780,318	18,192,697
Military rates	73,768	62,674	62,674
Local rates	14,078,422	14,236,351	13,915,277
Deduct portion not chargeable to limitation	29,305,239	29,645,843	28,647,948
Net personal services	2,684,635	3,433,500	3,522,700
02 Travel	139,469	844,700	823,700
03 Transportation of things	12,496	78,600	79,700
04 Communication services	41,835	42,200	43,300
05 Rents and utility services	79,820	87,000	108,800
06 Printing and reproduction	88,910	80,500	80,300
07 Other contractual services	373,523	491,100	487,000
08 Supplies and materials	62,626	91,700	94,200
09 Equipment	1,186	200	200
11 Grants, subsidies, and contributions	159,537	244,400	249,500
12 Pensions, annuities, and insurance claims		2,023,700	2,064,700
13 Refunds, awards, and indemnities	43	15,000	15,000
15 Taxes and assessments	1,559	11,900	4,400
Depreciation	76,876	84,000	106,300
General and administrative expenses—Isthmus	3,722,515	7,528,500	7,679,800
General and administrative expenses in United States and Haiti	83,296	291,500	296,200
Reimbursable costs not chargeable to limitation (−)	−82,317		
Grand total, general and administrative expenses	3,723,494	7,820,000	7,976,000

General Provisions—The Panama Canal

Sec. 202. No part of any appropriation contained in this Act shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however,* (1) That, notwithstanding the provision in the Act approved August 11, 1939 (53 Stat. 1409) limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said Act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this Act shall prohibit the continued employment of any person who shall have rendered fifteen or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive

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DEPARTMENT OF THE ARMY—Continued

PANAMA CANAL—Continued

GENERAL PROVISIONS—THE PANAMA CANAL—Continued

positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this Act (a) shall normally be employed not more than forty hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 per centum; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further*, That the President may suspend from time to time in whole or in part compliance with this section if he should deem such course to be in the public interest.

SEC. 203. The Governor of the Canal Zone is authorized to employ services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in an amount not exceeding $15,000: *Provided*, That the rates for individuals shall not exceed $100 per diem.

SEC. 204. The Governor of the Canal Zone and the President of the Panama Canal Company, in computing allowances for the cost of travel on home leave for persons who elect at their expense to take other than the lowest first-class travel to the United States, shall take into account as the cost to the United States the actual cost, as computed by the General Accounting Office, of travel by United States owned and operated vessels rather than a reduced fare rate which is available for such employees when traveling on their own account.

Proposed for later transmission:

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Civil functions: Fire protection		$34,000	
2. Health and sanitation: Other public health services		185,100	
3. General government expense: Other general government expense		2,400	
Total program (costs—obligations)		221,500	
Financing:			
Proposed supplemental appropriation		221,500	

Under existing legislation, 1958.—A supplemental estimate of $221,500 is proposed for later transmission to provide for an intensified malaria-control program and for a mandatory increase in premium payments to firemen.

MISCELLANEOUS ARMY ACCOUNTS

Permanent authorizations:

PAYMENT TO CLAIMANTS, DISASTER AT TEXAS CITY, TEX.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total obligations)	$13,944,101	$350,000	$50,000
Financing:			
Unobligated balance brought forward	−25,732,667	−11,788,566	−11,438,566
Unobligated balance carried forward	11,788,566	11,438,566	11,388,566
Appropriation (new obligational authority)			

This fund pays claims for death, personal injury, and property losses resulting from the disaster at Texas City, Tex., on April 16 and 17, 1947, as authorized by the act of August 12, 1955. No more claims can be filed, and those pending should be settled by June 30, 1960.

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$13,944,101	$350,000	$50,000

Public enterprise funds:

DEFENSE PRODUCTION GUARANTIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Administrative expense	$60,542	$50,000	$45,000
Writeoff of loans receivable	19,097	200,000	300,000
Total operating costs	79,639	250,000	345,000
Less: Writeoff of loans receivable	19,097	200,000	300,000
Total operating costs, funded	60,542	50,000	45,000
Capital outlay: Loans purchased	95,113	300,000	250,000
Total program costs (obligations)	155,655	350,000	295,000
Financing:			
Amounts becoming available: Revenues and receipts:			
Collection of loans	292,870	750,000	525,000
Guaranty fees and interest on loans	239,918	185,000	175,000
Total amounts becoming available	532,788	935,000	700,000
Unobligated balance brought forward	1,540,942	1,918,075	2,503,075
Total amounts available	2,073,730	2,853,075	3,203,075
Unobligated balance carried forward	−1,918,075	−2,503,075	−2,908,075
Financing applied to program	155,655	350,000	295,000

Guaranties are given on loans made by public and private financing institutions to facilitate performance of defense production contracts. When necessary, loans may be purchased by the Government. Administrative expenses are paid out of guaranty fees and interest on loans receivable. Funds in excess of guaranteed loan program requirements may be transferred to miscellaneous receipts of the Treasury. Advances from appropriations available for procurement may be made to this fund for its temporary use. Net earnings are retained to purchase loans when required under guaranty commitments and to cover possible future losses. Of 673 loans authorized under this program since 1950, there were 34 outstanding on June 30, 1957, in the amount of $28 million. Additional credit available thereunder was $11.3 million up to an authorized limit of slightly less than $40 million. It is anticipated that as of the end of 1958 there will be 28 loans outstanding in the amount of $25 million and as of the end of 1959 the number will be 24 in the amount of $22 million.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$95,113	$300,000	$250,000
Expense	60,542	50,000	45,000
Increase in selected working capital	999,396		
Total gross expenditures	1,155,051	350,000	295,000
Receipts from operations (funds provided):			
Loans repaid	292,870	750,000	525,000
Revenue	239,918	185,000	175,000
Total receipts from operations	532,788	935,000	700,000
Budget expenditures	622,263	−585,000	−405,000

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Revenue, Expense and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue	$263,618	$185,000	$175,000
Expense	79,639	250,000	345,000
Net income for the year	183,979	−65,000	−170,000
Retained earnings, beginning of year	4,845,762	5,029,741	4,964,741
Retained earnings, end of year	5,029,741	4,964,741	4,794,741

Financial Condition

Assets:			
Current assets:			
Cash with Treasury	$1,918,075	$2,503,075	$2,908,075
Loans receivable	3,111,666	2,461,666	1,886,666
Total assets	5,029,741	4,964,741	4,794,741
Government investment:			
Retained earnings	5,029,741	4,964,741	4,794,741

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$2,540,338	$1,918,075	$2,503,075	$2,908,075
Obligated balance, net	999,396			
Unobligated balance	1,540,942	1,918,075	2,503,075	2,908,075

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$60,542	$50,000	$45,000
16	Investments and loans	95,113	300,000	250,000
	Total obligations	155,655	350,000	295,000

DEPARTMENT OF THE NAVY

Public enterprise funds:

Defense Production Guaranties

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Administrative expenses	$55,199	$60,000	$55,000
Capital outlay: Loans purchased		4,165,000	2,500,000
Total program (costs—obligations)	55,199	4,225,000	2,555,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	433,997	3,000,000	2,500,000
Guaranty fees and interest on loans	712,542	600,000	483,000
Total amounts becoming available	1,146,539	3,600,000	2,983,000
Unobligated balance brought forward	4,502,747	5,594,087	4,969,087
Total amounts available	5,649,286	9,194,087	7,952,087
Unobligated balance carried forward	−5,594,087	−4,969,087	−5,397,087
Financing applied to program	55,199	4,225,000	2,555,000

Guaranties are given on loans made by public and private financing institutions to facilitate performance of defense production contracts. When necessary, loans may be purchased by the Government. Administrative expenses are paid out of guaranty fees and interest on loans receivable. Funds in excess of guaranteed loan program requirements may be transferred to miscellaneous receipts of the Treasury. Advances from appropriations available for procurement may be made to this fund for its temporary use. Net earnings are retained to purchase loans when required under guaranty commitments and to cover possible future losses (50 U. S. C. app. 2091).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans		$4,165,000	$2,500,000
Expense	$55,199	60,000	55,000
Increase in selected working capital		2,375,000	
Total gross expenditures	55,199	6,600,000	2,555,000
Receipts from operations (funds provided):			
Loans repaid	433,997	3,000,000	2,500,000
Revenue	712,542	600,000	483,000
Total receipts from operations	1,146,539	3,600,000	2,983,000
Budget expenditures	−1,091,340	3,000,000	−428,000

Revenue, Expense, and Retained Earnings

Guaranty fees, interest	$594,641	$500,000	$408,000
Guaranty fees, commitment fees	12,215	25,000	10,000
Interest on loans receivable	105,686	75,000	65,000
Revenue	712,542	600,000	483,000
Expense	55,199	60,000	55,000
Net income for the year	657,343	540,000	428,000
Retained earnings, beginning of year	7,141,268	7,798,611	8,338,611
Retained earnings, end of year	7,798,611	8,338,611	8,766,611

Financial Condition

Assets:			
Cash with Treasury	$7,969,087	$4,969,087	$5,397,087
Loans receivable	2,204,524	3,369,524	3,369,524
Total assets	10,173,611	8,338,611	8,766,611
Liabilities:			
Current (advance from appropriation)	2,375,000		
Government investment:			
Retained earnings	7,798,611	8,338,611	8,766,611

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$6,877,747	$7,969,087	$4,969,087	$5,397,087
Obligated balance, net:				
Current liabilities	2,375,000	2,375,000		
Unobligated balance	4,502,747	5,594,087	4,969,087	5,397,087

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$55,199	$60,000	$55,000
16	Investments and loans		4,165,000	2,500,000
	Total obligations	55,199	4,225,000	2,555,000

DEPARTMENT OF THE AIR FORCE

Permanent authorizations:

Wildlife Conservation, Etc., Eglin Field Reservation

(Indefinite special account)

Appropriated (estimate) 1958, **$24,600** Estimate 1959, **$27,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Conservation of game (total obligations)	$23,736	$25,750	$23,500
Financing:			
Unobligated balance brought forward	−17,123	−16,040	−14,890
Unobligated balance carried forward	16,040	14,890	18,890
Appropriation (new obligational authority)	22,653	24,600	27,500

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DEPARTMENT OF THE AIR FORCE—Continued

Permanent authorizations—Continued

WILDLIFE CONSERVATION, ETC., EGLIN FIELD RESERVATION—Continued

(Indefinite special account)—Continued

Proceeds from the sale of game permits in the Eglin Field Reservation are used to carry out a program of fish and game conservation and rehabilitation in cooperation with the Fish and Wildlife Service (63 Stat. 759).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4	4	3
Average number of all employees	4	4	3
Number of employees at end of year	4	3	3
Average GS grade and salary	2.0 $3,045	2.0 $3,130	2.0 $3,215
Average salary of ungraded positions	$3,340	$3,484	$3,560
01 Personal services:			
Permanent positions	$12,967	$12,329	$10,336
Other personal services		47	40
Total personal services	12,967	12,376	10,376
07 Other contractual services	2,052	4,052	3,898
08 Supplies and materials	8,517	8,532	8,532
11 Grants, subsidies, and contributions		790	694
15 Taxes and assessments	200		
Total obligations	23,736	25,750	23,500

Public enterprise funds:

DEFENSE PRODUCTION GUARANTIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Administrative expenses	$112,115	$110,000	$105,000
Capital outlay: Loans purchased	411,644		
Total program (costs—obligations)	523,759	110,000	105,000
Financing:			
Amounts becoming available: Revenue:			
Collection of loans	1,203,506	440,000	367,498
Guaranty and commitment fees	1,037,266	930,000	920,000
Interest income	55,363	40,000	10,502
Total amounts becoming available	2,296,135	1,410,000	1,298,000
Unobligated balance brought forward	7,484,764	9,257,140	10,557,140
Total amounts available	9,780,899	10,667,140	11,855,140
Unobligated balance carried forward	−9,257,140	−10,557,140	−11,750,140
Financing applied to program	523,759	110,000	105,000

Guaranties are given on loans made by public and private financing institutions to facilitate performance of defense production contracts. When necessary, loans may be purchased by the Government. Administrative expenses are paid out of guaranty fees and interest on loans receivable. Funds in excess of guaranteed loan program requirements may be transferred to miscellaneous receipts of the Treasury. Advances from appropriations available for procurement may be made to this fund for its temporary use. Net earnings are retained to purchase loans when required under guaranty commitments and to cover possible future losses (50 U. S. C. app. 2091).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$411,644		
Expense	112,115	$110,000	$105,000
Total gross expenditures	523,759	110,000	105,000
Receipts from operations (funds provided):			
Loans repaid	1,203,506	440,000	367,498
Revenue	1,092,629	970,000	930,502
Total receipts from operations	2,296,135	1,410,000	1,298,000
Budget expenditures	−1,772,376	−1,300,000	−1,193,000

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue	$1,092,629	$970,000	$930,502
Expense	112,115	110,000	105,000
Net income for the year	980,514	860,000	825,502
Retained earnings, beginning of year	9,084,124	10,064,638	10,924,638
Retained earnings, end of year	10,064,638	10,924,638	11,750,140

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$9,257,140	$10,557,140	$11,750,140
Loan receivable, net	807,498	367,498	
Total assets	10,064,638	10,924,638	11,750,140
Government investment:			
Retained earnings	10,064,638	10,924,638	11,750,140

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$7,484,764	$9,257,140	$10,557,140	$11,750,140
Unobligated balance	7,484,764	9,257,140	10,557,140	11,750,140

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$112,115	$110,000	$105,000
16 Investments and loans	411,644		
Total obligations	523,759	110,000	105,000

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENT OF THE ARMY								
CEMETERIAL EXPENSES								
Cemeterial expenses	2	$3,000			$3,000	11		Used at 6 very active national cemeteries by superintendents and funeral directors for leading funeral processions and supervising cemetery operations in areas distant from the superintendent's office.
RIVERS AND HARBORS AND FLOOD CONTROL								
All appropriations	224	336,750	226	$51,382	285,368	659	$203,650	Used by officers and civilian employees of the Corps of Engineers in transacting official business in connection with the accomplishment of authorized civil works projects, where commercial facilities are not available or are inadequate.
Station wagon	12	22,650	10	4,100	18,550	44	10,150	
Ambulance						4		
Bus						2	1,000	
Total, rivers and harbors and flood control.	236	359,400	236	55,482	303,918	709	214,800	
UNITED STATES SOLDIERS' HOME								
Maintenance and operation (trust fund).	2	2,700	2		2,700	7		Used by officers and employees of the U. S. Soldiers' Home in transaction of official business. Buses and ambulances used to transport patients and members of home.
Station wagon						1		
Ambulance						2		
Bus						2		
Total, United States Soldiers' Home.	2	2,700	2		2,700	12		
ADMINISTRATION, RYUKYU ISLANDS								
Administration, Ryukyu Islands	2	2,700	2		2,700	9	5,400	Used by United States civil administration in Ryukyus for transporting personnel, mail, and supplies about the Ryukyu Islands as required for official functions necessary to the purposes of this appropriation.
Station wagon	2	3,600	2		3,600			
Total, administration, Ryukyu Islands.	4	6,300	4		6,300	9	5,400	
PANAMA CANAL								
CANAL ZONE GOVERNMENT								
Operating expenses Capital outlay	6	12,000	6	1,800	10,200	19	10,000	For policemen, the civil affairs director, and a hospital superintendent. Cars without drivers are rented for use by medical officers on patient calls and by sanitary and contraband inspectors for field work.
Ambulance	2	17,900	2	600	17,300	6		For emergency and routine service in the Canal Zone.
Total, Canal Zone Government.	8	29,900	8	2,400	27,500	25	10,000	
PANAMA CANAL COMPANY								
United States							800	For transportation of general manager and personnel of the New York operation.
Isthmus	11	23,100	12	3,000	20,100	34		Used by the president and other officers of the Company; by members of the board of directors, congressional parties, and consultants when visiting the Isthmus; and by physicians, pilots, auditors, and senior officials of the Company to accomplish specific field duties.
Station wagon	3	7,500	2	700	6,800	4		Primarily the same as above and generally for use to transport pilots to and from embarkation points.
Bus	4	20,800	4	2,000	18,800	19		Used primarily to transport children to and from school; also used for large field movement of employees.
Foreign countries (Haiti)						1		Used by Company agent for official duties.
Total, Panama Canal Company.	18	51,400	18	5,700	45,700	58	800	
Total, Department of Defense—Civil Functions.	270	452,700	268	63,582	389,118	824	231,000	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENT OF THE ARMY								
RIVERS AND HARBORS AND FLOOD CONTROL								
All appropriations						4	$260,000	Used by Chief of Engineers and division engineers for expediting inspections and supervision of authorized projects on large scale where commercial forms of transportation would result in costly delays and cumbersome schedules between works in widely separated sections of the country.

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The budget recommends new obligational authority totaling $2,793 million for the Department of Health, Education, and Welfare for 1959, a decrease of $76 million from 1958 and an increase of $302 million over 1957. The total includes $335 million for educational programs, of which $276 million is for programs under proposed legislation.

The decrease in new obligational authority for public assistance grants from 1958 to 1959 is $85 million. This does not reflect a decrease in program requirements but results from technical adjustments in the financing of this activity as explained below. New obligational authority for all other programs is $9 million greater in 1959 than in 1958.

The activities of the Department fall, roughly, into four major categories: Public assistance, representing 65% of the recommended appropriations; promotion of public health, 21%; promotion of education, 12%; and other related welfare activities, 2%.

Appropriations for 1959 are requested at the 1958 level for constructing waste treatment works and for vocational education. The Joint Federal-State Action Committee, after studying the division of responsibility between the State and Federal Governments, has recommended transfer of these programs to the States, coupled with appropriate revenue adjustments. There will be adequate time to make these transfers and adjustments by 1960, and it is anticipated that the budget for that year will not include further appropriations for these purposes.

Public assistance.—The major portion of the Federal economic security programs operated under the Social Security Administration are financed from tax receipts under the old-age and survivors' insurance trust fund discussed in part III of the budget. However, the Federal Government also makes grants to States out of general revenues for public assistance benefits and for their administration. These expenditures are included in this part of the budget. Federal expenditures for public assistance in 1959 are estimated at $1,809 million, compared with the State and local share of $1,452 million.

Federal budget expenditures in 1959 are expected to be $251 million more than the 1957 level of $1,558 million, primarily because of the full-year costs of legislation enacted in 1956 and 1957 which increased the Federal share of the payments made to recipients and which established a separate formula for matching State medical care expenditures. In addition, average payments to recipients have continued to rise. Caseloads have declined in the old-age assistance program, while coverage under the old-age and survivors insurance program has increased. The budget contemplates that old-age assistance caseloads will decline from 2,511,242 in 1957 to 2,475,000 by 1959, a decrease of 1.5%, while the combined caseloads for dependent children, the blind, and the disabled will increase by 10.6%, from 2,674,589 in 1957 to 2,959,800 in 1959.

As indicated above, the new obligational authority for 1959 for the public assistance program is $85 million less than in 1958. This is because the financial authorizations for this program for one fiscal year customarily include amounts which are advanced from the coming fiscal year's appropriation in order to meet State requirements on time. The authorizations for 1958 include more in net advances than those for 1957 or 1959. Accordingly, although the budget figures show a decline from 1958 to 1959, actual program requirements are increasing.

The budget includes a proposed supplemental appropriation for 1958 of $171 million for this program.

Promotion of public health.—Expenditures for the promotion of health are estimated to increase in 1959 to $629 million, $56 million more than 1958 and $168 million over 1957. The increase is due chiefly to expenditures for construction grant programs as actual construction progresses under appropriations enacted for previous years. New obligational authority recommended for 1959 is $583 million, a net decrease of $43 million from 1958, reflecting mainly reduced authorizations for hospital construction for which $75 million is included.

New obligational authority for research programs sponsored by the National Institutes of Health is recommended at the same level as in 1958. This is an increase of more than 100% over 1956. Some increases are provided to expand senior fellowship programs for selected basic research areas. These increases are in part offset by completion in 1958 of the National Mental Health Survey. Of the total new obligational authority of $211 million in 1959, $148 million or 70% is for grants to States, to research and educational institutions, and to individual scientists.

Although the $75 million of new obligational authority requested for 1959 for grants for waste treatment construction and for the construction of research facilities is the same as in 1958, expenditures are estimated to increase from $52 million in 1958 to $91 million in 1959.

Grants made to States by the Children's Bureau to promote the health and welfare of children will amount to $41.5 million in 1959, the same as in 1958 and $2 million over 1957.

New obligational authority for other major public health programs, including enforcement of the Food, Drug, and Cosmetic Act; operation of Freedmen's and Saint Elizabeths Hospitals; hospital and medical care for American seamen, Coast Guardsmen, and other beneficiaries; Indian health activities; and assistance to States in providing basic health services, are estimated to be $180 million in 1959, $3 million more than in 1958.

Promotion of education.—The budget provides increases in 1959 for the Office of Education for studies of educational organization, methods, and curricula in other countries, for expanding research in cooperation with colleges, universities, and State educational agencies, and for the dissemination of information on the organization, financing, and operation of education both to the education profession and to the general public. New obligational authority of $40.9 million is included to continue vocational education grants at their current level. In addition, increased support for Howard University is included.

The budget also includes new obligational authority of $145.5 million under proposed legislation to finance the

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first year of a 4-year program for assistance in support of science and general education. This proposal includes assistance to the States or to institutions of higher education for (1) encouragement of able students through early identification of aptitudes, improvement and expansion of counseling and guidance services, and scholarships for those needing assistance to obtain college educations, (2) for strengthening science and mathematics instruction, (3) for expansion of graduate school programs including fellowships, (4) for improving the teaching of modern foreign languages, and (5) for improving educational statistics. The programs to be carried out by the States would be matched on a 50–50 basis.

Legislation is also proposed to revise and continue the programs of aid to local schools where enrollments have been substantially affected by activities of the Federal Government. New obligational authority estimated for 1959 is $131 million, $95 million less than for 1958, chiefly because of the legislative revisions proposed which would define more clearly the proper roles of the Federal Government and the local school districts and which would reduce or terminate Federal assistance to districts on behalf of children whose parents reside on privately owned property which is subject to local taxes.

Other welfare services and administration.—The major portion of expenditures under this category is for the Federal-State vocational rehabilitation program. Federal expenditures for this program in 1959 are estimated at $55.9 million, an increase of $4.1 million over 1958. The budget contemplates that 85,000 individuals will be rehabilitated during 1959 as compared to 80,000 in 1958 and 70,940 in 1957. In addition, Federal contributions are made to Gallaudet College (for the deaf) and to the American Printing House for the Blind.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Labor and welfare:						
212 Public assistance	$1,565,352	$1,894,132	$1,808,754	$1,557,939	$1,822,412	$1,808,699
213 Promotion of public health	597,521	626,075	582,757	461,429	573,209	629,158
214 Promotion of education	274,737	283,762	334,911	227,520	283,382	347,512
215 Promotion of science, research, libraries, and museums	2,050	5,000	3,000	1,440	5,510	3,100
217 Other welfare services and administration	51,451	60,080	63,482	46,619	60,613	65,227
Total, labor and welfare	2,491,111	2,869,049	2,792,904	2,294,947	2,745,126	2,853,696
Commerce and housing:						
515 Community development and facilities				272	78	
519 Regulation of commerce and finance				−54	−21	−93
520 Civil defense				1	2	
Total, commerce and housing				219	59	−93
Total, Department of Health, Education, and Welfare	2,491,111	2,869,049	2,792,904	2,295,166	2,745,185	2,853,603

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
AMERICAN PRINTING HOUSE FOR THE BLIND							
Current authorizations:							
Education of the blind	217	$230,000	$328,000	$400,000	$230,000	$328,000	$400,000
FOOD AND DRUG ADMINISTRATION							
Current authorizations:							
Salaries and expenses	213	6,779,000	9,300,000	9,410,000	6,635,251	9,000,000	9,300,000
Salaries and expenses, certification, inspection, and other services (indefinite special account)	213	1,019,909	1,254,500	1,254,500	1,222,711	1,225,000	1,255,000
Intragovernmental funds:							
Advances and reimbursements	213				104,360		
Total, Food and Drug Administration		7,798,909	10,554,500	10,664,500	7,962,322	10,225,000	10,555,000
FREEDMEN'S HOSPITAL							
Current authorizations:							
Salaries and expenses	213	2,801,400	3,000,000	2,975,000	2,606,791	2,923,000	2,900,000
GALLAUDET COLLEGE							
Current authorizations:							
Salaries and expenses	217	615,000	730,000	785,000	611,641	730,000	785,000
Construction	217	2,547,000	1,690,000	123,000	599,323	2,890,000	2,900,000
Total, Gallaudet College		3,162,000	2,420,000	908,000	1,210,964	3,620,000	3,685,000
HOWARD UNIVERSITY							
Current authorizations:							
Salaries and expenses	214	3,300,000	3,800,000	4,000,000	3,288,563	3,800,000	3,950,000
Plans and specifications	214		150,000	171,000	86,231	167,000	176,000
Construction of men's dormitory (liquidation of contract authorization)	214	(286,200)		(163,000)	346,873	1,292,000	163,000
Contract authorization	214	734,800					
Construction of buildings	214	100,000	262,000		2,936,958	1,645,000	796,000
Construction of administration building (liquidation of contract authorization)	214				64,230		
Construction of auditorium-fine arts building (liquidation of contract authorization)	214					300,000	1,310,900
Contract authorization	214		860,000				
Construction of biology-greenhouse building (liquidation of contract authorization)	214				118,450	14,558	
Construction of law school building (liquidation of contract authorization)	214				52,910		
Total, Howard University		4,134,800	5,072,000	4,171,000	6,894,215	7,218,558	6,395,900
OFFICE OF EDUCATION							
Current authorizations:							
Promotion and further development of vocational education	214	31,442,081	33,750,081	33,750,081	30,450,552	33,770,081	33,750,081
Further endowment of colleges of agriculture and the mechanic arts	214	2,501,500	2,501,500	2,501,500	2,501,500	2,501,500	2,501,500
Grants for library services	215	2,050,000	5,000,000	3,000,000	1,440,000	5,510,000	3,100,000
Assistance for school construction	214	108,500,000	41,700,000	850,000	75,853,192	100,000,000	48,600,000
Salaries and expenses	214	5,270,000	7,000,000	7,950,000	4,263,180	7,050,000	8,275,000
President's Committee on Education Beyond the High School	214	150,000	50,000		116,018	82,558	
Payments to school districts	214	113,050,000	127,000,000		97,756,138	119,069,000	28,500,000
Salaries and expenses, White House Conference on Education	214				3,198	184	
Permanent authorizations:							
Colleges for agriculture and the mechanic arts	214	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Promotion of vocational education, act of Feb. 23, 1917 (indefinite)	214	7,138,331	7,138,331	7,138,331	7,131,484	7,138,331	7,138,331
Intragovernmental funds:							
Advances and reimbursements	214				1,005	1,822	1,700
Proposed for later transmission:							
Under existing legislation:							
Assistance for school construction	214		57,000,000			4,000,000	44,800,000
Under proposed legislation:							
Assistance for school construction	214			20,500,000			2,000,000
Payments to school districts	214			110,000,000			88,000,000
Promotion of science and general education	214			145,500,000			75,000,000
Total, Office of Education		272,651,912	283,689,912	333,739,912	222,066,267	281,673,476	344,216,612

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
OFFICE OF VOCATIONAL REHABILITATION							
Current authorizations:							
Grants to State and other agencies	217	$39,500,000	$45,100,000	$50,600,000	$37,022,360	$44,872,000	$49,800,000
Training and traineeships	217	2,950,000	4,400,000	4,800,000	2,668,911	4,243,000	4,600,000
Salaries and expenses	217	1,160,000	1,330,000	1,400,000	1,135,325	1,306,000	1,380,000
Proposed for later transmission (under existing legislation):							
Grants to States and other agencies	217		1,400,000			1,300,000	100,000
Total, Office of Vocational Rehabilitation		43,610,000	52,230,000	56,800,000	40,826,596	51,721,000	55,880,000
PUBLIC HEALTH SERVICE							
Current authorizations:							
Assistance to States, general	213	17,591,000	22,592,000	22,889,000	17,010,114	22,000,000	22,400,000
Grants and special studies, Territory of Alaska	213	1,170,000	2,165,000	2,165,000	1,154,876	2,150,000	2,150,000
Construction, mental health facilities, Territory of Alaska	213			6,500,000			2,500,000
Control of venereal diseases	213	4,195,000	4,415,000	4,400,000	4,142,249	4,300,000	4,300,000
Control of tuberculosis	213	6,660,000	7,000,000	5,386,000	6,378,302	6,800,000	5,200,000
Communicable disease activities	213	5,750,000	7,050,000	6,200,000	5,676,755	6,900,000	6,100,000
Sanitary engineering activities	213	9,000,000	12,640,000	12,815,000	8,408,105	11,500,000	12,200,000
Grants for waste treatment works construction	213	50,000,000	45,000,000	45,000,000	843,735	31,000,000	51,100,000
Grants for hospital construction	213	125,000,000	121,200,000	75,000,000	72,677,631	97,000,000	112,000,000
Salaries and expenses, hospital construction services	213	1,381,000	1,450,000	1,320,000	1,314,627	1,450,000	1,320,000
Hospitals and medical care	213	40,195,000	44,399,000	44,309,000	38,250,845	44,000,000	44,000,000
Foreign quarantine activities	213	3,315,000	3,876,000	3,983,000	3,222,167	3,850,000	3,960,000
Indian health activities	213	38,096,545	39,484,428	39,609,428	36,808,602	39,084,428	39,184,428
Contract authorization	213	615,572	615,572	615,572	678,455	615,572	615,572
Liquidation of contract authorization	213	(678,455)	(615,572)	(615,572)			
Construction of Indian health facilities	213	8,762,000	3,130,000	2,374,000	1,613,074	2,000,000	8,000,000
General research and services, National Institutes of Health	213	12,122,000	14,026,000	17,742,000	11,374,877	13,200,000	17,000,000
National Cancer Institute	213	48,432,000	56,402,000	55,923,000	39,285,530	55,000,000	53,700,000
Mental health activities	213	35,197,000	39,217,000	37,697,000	29,576,871	37,500,000	36,200,000
National Heart Institute	213	33,396,000	35,936,000	34,712,000	32,660,129	34,000,000	33,600,000
Dental health activities	213	6,026,000	6,430,000	6,293,000	5,665,731	6,300,000	6,000,000
Arthritis and metabolic disease activities	213	15,885,000	20,385,000	20,592,000	16,137,272	19,300,000	19,800,000
Allergy and infectious disease activities	213	13,299,000	17,400,000	17,497,000	13,316,376	16,200,000	16,800,000
Neurology and blindness activities	213	18,650,000	21,387,000	20,727,000	16,845,381	20,900,000	19,900,000
Grants for construction of health research facilities	213	30,000,000	30,000,000	30,000,000	3,404,199	21,000,000	40,000,000
Operations, National Library of Medicine	213	1,004,638	1,450,000	1,415,000	846,949	1,400,000	1,380,000
Retired pay of commissioned officers	213	1,450,000	1,500,000	1,600,000	1,384,096	1,500,000	1,600,000
Salaries and expenses	213	3,913,000	5,100,000	5,325,000	3,704,279	5,000,000	5,160,000
Surveys and planning for hospital construction	213		1,174,487		394,690	449,987	
Construction of biologics standards laboratory building	213				70,822	2,000,000	1,200,000
Construction of surgical facilities	213	1,630,000			458	90,000	500,000
Buildings and facilities, Cincinnati, Ohio	213				199,157	60,853	
Construction of animal quarters	213	1,371,000			666,566	704,434	
Construction of dental research building	213	200,000	128,871		1,047	50,000	50,000
Construction of library facilities	213	350,000	18,166		1,495	220,000	129,000
Construction of research facilities	213				1,562,296	778,811	
General office building	213	300,000	128,647		2,245	50,000	75,000
Gorgas Memorial Laboratory	213	147,000			147,000		
Grants to States for poliomyelitis vaccination	213				30,056,174	506,946	
Construction of housing facilities for animals	213				47,229	16,445	
Public enterprise funds:							
Operation of commissaries, narcotic hospitals	213				315	−893	−2,122
Intragovernmental funds:							
National Institutes of Health management fund	213					−1,200,000	
Service and supply fund	213				−152,412	−10,773	3,604
Working capital fund, narcotic hospitals	213				24,876	−15,683	−4,777
Advances and reimbursements	213					76	
Total, Public Health Service		535,103,755	565,700,171	522,089,000	405,403,185	507,650,203	568,120,765
SAINT ELIZABETHS HOSPITAL							
Current authorizations:							
Salaries and expenses	213	2,870,000	3,085,800	3,154,000	2,765,196	3,112,000	3,100,000
Major repairs and preservation of buildings and grounds	213	270,000	55,000	87,000	658,667	465,000	92,000
Construction, continued treatment building	213			125,000			110,000
Construction and equipment, treatment and cafeteria building	213		180,000			160,000	20,000
Miscellaneous accounts:							
Building for storerooms, etc	213				−358	1,371	
Construction and equipment, treatment building	213				118,940	198,429	
Construction and equipment, maximum security building	213	7,494,000			1,857,046	5,025,000	630,000
Total, Saint Elizabeths Hospital		10,634,000	3,320,800	3,366,000	5,399,491	8,961,800	3,952,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
SOCIAL SECURITY ADMINISTRATION							
Current authorizations:							
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance		($121,500,000)	($130,000,000)	($133,300,000)			
Limitation on construction, Bureau of Old-Age and Survivors Insurance			(5,710,000)				
Grants to States for public assistance:							
Appropriation		(1,575,000,000)	(1,600,000,000)	(1,806,400,000)			
Adjustment for prior year and subsequent year appropriations		(−11,607,904)	(121,332,027)				
Appropriation (adjusted)	212	1,563,392,096	1,721,332,027	1,806,400,000	$1,556,422,423	$1,649,480,000	$1,806,400,000
Salaries and expenses, Bureau of Public Assistance	212	1,748,000	1,900,000	2,040,000	1,719,369	1,881,000	2,000,000
Salaries and expenses, Children's Bureau	213	1,822,000	2,000,000	2,013,000	1,804,873	1,948,000	1,995,000
Salaries and expenses, White House Conference on Children and Youth	213			150,000			135,000
Grants to States for maternal and child welfare	213	39,361,000	41,500,000	41,500,000	38,251,998	41,500,622	41,500,000
Salaries and expenses, Office of the Commissioner	212	212,000	300,000	314,000	191,663	252,000	303,000
Public enterprise funds:							
Operating fund, Bureau of Federal Credit Unions	519				−54,181	−21,180	−93,006
Intragovernmental funds:							
Advancements and reimbursements	212				−394,303	199,000	−3,479
Proposed for later transmission (under existing legislation):							
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance			(5,690,000)				
Grants to States for public assistance	212		170,600,000			170,600,000	
Total, Social Security Administration		1,606,535,096	1,937,632,027	1,852,417,000	1,597,941,842	1,865,839,442	1,852,236,515
OFFICE OF THE SECRETARY							
Current authorizations:							
Salaries and expenses	217	1,588,000	1,800,000	1,819,000	1,535,383	1,768,000	1,750,000
Salaries and expenses, Office of Field Administration	217	1,985,000	2,300,000	2,418,000	2,004,591	2,194,000	2,400,000
Salaries and expenses, Office of the General Counsel	217	426,000	500,000	505,000	418,974	477,000	500,000
Surplus property utilization	217	450,000	502,000	632,000	434,490	500,000	620,000
Civil defense activities	520				1,467	2,000	
Defense community facilities and services	515				271,875	78,000	
Intragovernmental funds:							
Working capital fund	217				−42,632	3,795	−8,282
Advances and reimbursements	217				14	2,000	
Total, Office of the Secretary		4,449,000	5,102,000	5,374,000	4,624,162	5,024,795	5,261,718
Total new obligational authority and budget expenditures		2,491,110,872	2,869,049,410	2,792,904,412	2,295,165,835	2,745,185,274	2,853,603,450
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$2,480,072,169	$2,627,435,336	$2,506,600,509			
Appropriations to liquidate contract authorizations		(964,655)	(615,572)	(778,572)			
Contract authorizations		1,350,372	1,475,572	615,572	$2,295,165,835	$2,569,285,274	$2,643,703,450
Reappropriations			1,450,171				
Permanent authorizations:							
Appropriations		9,688,331	9,688,331	9,688,331			
Proposed for later transmission:							
Appropriations			229,000,000	276,000,000		175,900,000	209,900,000
Total new obligational authority and budget expenditures		2,491,110,872	2,869,049,410	2,792,904,412	2,295,165,835	2,745,185,274	2,853,603,450

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
PUBLIC HEALTH SERVICE										
Operation of commissaries, narcotic hospitals	213	$194	$197	$197	$193	$198	$199	----------	−$1	−$2
SOCIAL SECURITY ADMINISTRATION										
Operating fund, Bureau of Federal Credit Unions	519	2,099	2,770	3,074	2,154	2,791	3,167	−$54	−21	−93
Total, public enterprise funds	------	2,293	2,967	3,271	2,347	2,989	3,366	−54	−22	−95

ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
AMERICAN PRINTING HOUSE FOR THE BLIND											
Current authorizations:											
Education of the blind	----------	----------	----------	----------	----------	----------	$400	$400	----------	----------	----------
FOOD AND DRUG ADMINISTRATION											
Current authorizations:											
Salaries and expenses	----------	$308	----------	$397	----------	$697	9,410	8,650	$650	----------	$807
Salaries and expenses, certification, inspection, and other services (indefinite special account)	$640	724	$385	521	$415	551	1,255	1,119	136	$415	551
Intragovernmental funds:											
Advances and reimbursements	----------	98	----------	----------	----------	----------	----------	----------	----------	----------	----------
Total, Food and Drug Administration	640	1,130	385	918	415	1,248	10,665	9,769	786	415	1,358
FREEDMEN'S HOSPITAL											
Current authorizations:											
Salaries and expenses	----------	308	----------	276	----------	318	2,975	2,582	318	----------	393
GALLAUDET COLLEGE											
Current authorizations:											
Salaries and expenses	----------	6	----------	9	----------	9	785	785	----------	----------	9
Construction	2,131	2,243	2,612	4,191	1,944	2,992	123	100	2,800	57	215
Total, Gallaudet College	2,131	2,249	2,612	4,200	1,944	3,001	908	885	2,800	57	224
HOWARD UNIVERSITY											
Current authorizations:											
Salaries and expenses	----------	97	----------	105	----------	105	4,000	3,850	100	----------	155
Plans and specifications	41	119	15	33	8	16	171	171	5	8	11
Construction of men's dormitory (liquidation of contract authorization)	1,353	1,353	244	1,292	----------	----------	(163)	----------	163	----------	----------
Contract authorization	286	286	735	735	583	735	----------	----------	----------	572	572
Construction of buildings	1,923	5,418	1,661	2,581	722	1,194	----------	----------	796	125	398
Construction of administration building (liquidation of contract authorization)	28	64	----------	----------	----------	----------	----------	----------	----------	----------	----------
Construction of auditorium-fine arts building (liquidation of contract authorization)	1,611	1,611	1,611	1,611	----------	1,311	----------	----------	1,311	----------	----------
Contract authorization	----------	----------	----------	----------	----------	860	----------	----------	----------	----------	860

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
HOWARD UNIVERSITY—Continued											
Current authorizations—Continued											
Construction of biology-greenhouse (liquidation of contract authorization)	$50	$134		$15							
Contract authorization	421	421	$421	421							
Construction of law school (liquidation of contract authorization)		53									
Contract authorization	540	540									
Total, Howard University	6,253	10,096	4,687	6,793	$1,313	$4,221	$4,171	$4,021	$2,375	$705	$1,996
OFFICE OF EDUCATION											
Current authorizations:											
Promotion and further development of vocational education				20			33,750	33,750			
Further endowment of colleges of agriculture and the mechanic arts							2,502	2,502			
Grants for library services				610		100	3,000	3,000	100		
Assistance for school construction	12,098	86,335	19,103	118,956	8,000	60,656	850	800	47,800		12,906
Salaries and expenses		260		1,128		1,078	7,950	7,197	1,078		753
President's Committee on Education Beyond the High School				32							
Payments to school districts		10,360		25,869		33,800			28,500		5,300
Salaries and expenses, White House Conference on Education		10									
Permanent authorizations:											
Colleges for agriculture and the mechanic arts							2,550	2,550			
Promotion of vocational education, act Feb. 23, 1917 (indefinite)							7,138	7,138			
Intragovernmental funds:											
Advances and reimbursements		2		4		2			2		
Proposed for later transmission:											
Under existing legislation:											
Assistance for school construction						53,000			44,800		8,200
Under proposed legislation:											
Assistance for school construction							20,500	2,000			18,500
Payments to school districts							110,000	88,000			22,000
Promotion of science and general education							145,500	75,000			70,500
Total, Office of Education	12,098	96,967	19,103	146,619	8,000	148,636	333,740	221,937	122,280		138,159
OFFICE OF VOCATIONAL REHABILITATION											
Current authorizations:											
Grants to States and other agencies		161		341		569	50,600	49,231	569		1,369
Training and traineeships		82		309		466	4,800	4,134	466		666
Salaries and expenses		85		97		111	1,400	1,269	111		131
Proposed for later transmission (under existing legislation):											
Grants to States and other agencies						100			100		
Total, Office of Vocational Rehabilitation		328		747		1,246	56,800	54,634	1,246		2,166
PUBLIC HEALTH SERVICE											
Current authorizations:											
Assistance to States, General		303		516		1,088	22,889	21,370	1,030		1,577
Grants and special studies, Territory of Alaska		33		44		59	2,165	2,100	50		74
Construction, mental health facilities, Territory of Alaska							6,500	2,500			4,000
Control of venereal diseases		155		166		281	4,400	4,050	250		381
Control of tuberculosis		161		356		556	5,386	4,660	540		742
Communicable disease activities		200		280		430	6,200	5,695	405		530
Sanitary engineering activities		339		736		1,860	12,815	10,400	1,800		2,475
Grants for waste treatment works construction			12,379	49,156		63,156	45,000	5,000	46,100		57,056
Grants for hospital construction	79,663	189,534	86,083	240,391	79,050	264,591	75,000	8,000	104,000	45,330	227,591

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
PUBLIC HEALTH SERVICE—Continued											
Current authorizations—Continued											
Salaries and expenses, hospital construction services		$69		$93		$93	$1,320	$1,227	$93		$93
Hospitals and medical care		2,275		3,681		3,593	44,309	40,500	3,500		3,902
Foreign quarantine activities		170		253		279	3,983	3,740	220		302
Indian health activities		3,876		4,853		5,252	39,609	34,134	5,050		5,677
Contract authorization		678		616		616	616	616			616
Construction of Indian health facilities	$3,641	4,691	$11,526	11,840	$9,473	12,970	2,374		8,000		7,344
General research and services, National Institutes of Health		1,205		1,815		2,641	17,742	15,550	1,450		3,383
National Cancer Institute		3,163		6,212		7,497	55,923	48,370	5,330		9,720
Mental health activities		1,830		2,473		4,150	37,697	32,700	3,500		5,647
National Heart Institute		2,393		1,989		3,912	34,712	31,240	2,360		5,024
Dental health activities		126		406		534	6,293	5,600	400		827
Arthritis and metabolic disease activities		1,090		759		1,811	20,592	18,600	1,200		2,603
Allergy and infectious disease activities		524		441		1,619	17,497	15,560	1,240		2,316
Neurology and blindness activities		1,511		1,966		2,410	20,727	18,200	1,700		3,237
Grants for construction of health research facilities				26,596		35,596	30,000	10,000	30,000		25,596
Operations, National Library of Medicine				141		191	1,415	1,220	160		226
Retired pay of commissioned officers	6	6					1,600	1,600			
Salaries and expenses		213		398		498	5,325	4,710	450		663
Surveys and planning for hospital construction	1,558	1,569									
Construction of biologics standards laboratory building	3,500	3,500	3,343	3,429	425	1,429			1,200		229
Construction of surgical facilities			1,557	1,630	1,530	1,540			500		1,040
Buildings and facilities, Cincinnati, Ohio	105	260	31	61							
Construction of animal quarters			188	704							
Construction of dental research building				70		60			50		10
Construction of library facilities				330		129			129		
Construction of research facilities	1,289	2,437	201	874							
General office building				169		193			75		118
Grants to States for poliomyelitis vaccination	33,396	35,110		507							
Construction of housing facilities for animals		64		16							
Public enterprise funds:											
Operation of commissaries, narcotic hospitals	18	29	17	29	19	30			−2	$20	32
Intragovernmental funds:											
National Institutes of Health management fund						1,200					1,200
Service and supply fund	553	497	550	650	577	661			4	577	657
Working capital fund, narcotic hospitals	31	54	28	29	46	44			−5	64	49
Total, Public Health Service	123,760	258,065	115,903	364,675	91,120	420,969	522,089	347,342	220,779	45,991	374,937
SAINT ELIZABETHS HOSPITAL											
Current authorizations:											
Salaries and expenses		634		726		700	3,154	2,400	700		754
Major repairs and preservation of buildings and grounds	301	812	76	417		5	87	87	5		
Construction, continued treatment building							125	110			15
Construction and equipment, treatment and cafeteria building						20			20		
Miscellaneous accounts:											
Building for storerooms, etc		1		1							
Construction and equipment, treatment building	264	317	147	198							
Construction and equipment, maximum security building		18	965	5,655		630			630		
Total, Saint Elizabeths Hospital	565	1,782	1,188	6,997		1,355	3,366	2,597	1,355		769
SOCIAL SECURITY ADMINISTRATION											
Current authorizations:											
Grants to States for public assistance		229,183		236,153		308,005	1,806,400	1,498,400	308,000		308,005
Salaries and expenses, Bureau of Public Assistance		92		101		119	2,040	1,881	119		159
Salaries and expenses, Children's Bureau		94		101		120	2,013	1,880	115		138
Salaries and expenses, White House Conference on Children and Youth							150	135			15
Grants to States for maternal and child welfare				1			41,500	41,500			
Salaries and expenses, Office of Commissioner		17		25		25	314	278	25		36

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
SOCIAL SECURITY ADMINISTRATION—Continued											
Public enterprise funds:											
Operating fund, Bureau of Federal Credit Unions	$678	$678	$698	$705	$631	$651			−$93	$630	[1] $694
Intragovernmental funds:											
Advances and reimbursements		12		412		213		−$216	213		216
Total, Social Security Administration	678	230,074	698	237,498	631	309,133	$1,852,417	1,543,858	308,379	630	[1] 309,263
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		95		112		135	1,819	1,615	135		204
Salaries and expenses, Office of Field Administration		117		78		161	2,418	2,239	161		179
Salaries and expenses, Office of the General Counsel		39		43		47	505	453	47		52
Surplus property utilization		21		33		35	632	585	35		47
Civil defense activities		4		2							
Defense community facilities and services				78							
Intragovernmental funds:											
Working capital fund	84	248	103	271	105	267			−8	119	275
Advances and reimbursements		36		4		2					2
Total, Office of the Secretary	84	560	103	621	105	647	$5,374	$4,892	370	119	759
Total, Department of Health, Education, and Welfare	146,207	601,559	144,679	769,344	103,528	890,774	2,792,905	2,192,917	660,686	47,917	[1] 830,024
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$143,598	$597,982	$142,127	$765,468	$101,567	$832,393				$45,935	$705,651
Contract authorizations	1,247	1,925	1,156	1,772	583	2,211				572	2,048
Revolving and management funds:							$2,516,905	$2,027,917	$615,786		
Public enterprise funds	694	705	715	734	650	681				650	[1] 726
Intragovernmental funds	668	947	681	1,370	728	2,389				760	2,399
Proposed for later transmission:											
Appropriations						53,100	276,000	165,000	44,900		119,200
Total, Department of Health, Education, and Welfare	146,207	601,559	144,679	769,344	103,528	890,774	2,792,905	2,192,917	660,686	47,917	[1] 830,024

[1] Excludes capital transfer in 1959 of $50 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$597,982	$765,468	$832,393
Contract authorizations	1,925	1,772	2,211
Revolving and management funds	1,652	2,104	3,070
Proposed for later transmission: Appropriations			53,100
Total balances brought forward	601,559	769,344	890,774
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	2,480,072	2,627,435	2,506,600
Appropriations to liquidate contract authorizations	(964)	(616)	(779)
Contract authorizations	1,351	1,476	616
Reappropriations		1,450	
Total new obligational authority under current authorizations	2,481,423	2,630,361	2,507,216
Permanent authorizations: Appropriations	9,688	9,688	9,688
Total new obligational authority enacted or recommended	2,491,111	2,640,049	2,516,904
Proposed for later transmission: Appropriations		229,000	276,000
Total new obligational authority	2,491,111	2,869,049	2,792,904
Other amounts available: Restored from certified claims account	437		
Total budget authorizations available	3,093,107	3,638,393	3,683,678
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	2,295,166	2,569,285	2,027,917
Out of balances of prior obligational authority			615,786
Total expenditures from obligational authority enacted or recommended	2,295,166	2,569,285	2,643,703
From obligational authority proposed for later transmission:			
Out of new obligational authority		175,900	165,000
Out of balances of prior obligational authority			44,900
Total expenditures from obligational authority proposed for later transmission		175,900	209,900
Total budget expenditures	2,295,166	2,745,185	2,853,603
Amounts no longer available:			
Unobligated balances rescinded	5,064		
Unobligated balances expiring and lapsing	20,884	2,360	
Capital transfers from revolving funds to receipt accounts	45	75	50
Adjustment of balances downward in expired accounts, net	2,603		
Total amounts no longer available	28,596	2,435	50
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	765,468	832,393	705,651
Contract authorizations	1,772	2,211	2,048
Revolving and management funds	2,104	3,070	3,125
Proposed for later transmission: Appropriations		53,100	119,200
Total balances carried forward at close of year	769,344	890,774	830,024
Obligations incurred, net	$2,466,646	$2,907,765	$2,848,465

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AMERICAN PRINTING HOUSE FOR THE BLIND

Current authorizations:

EDUCATION OF THE BLIND

[Education of the blind:] For carrying out the Act of March 3, 1879, as amended (20 U. S. C. 101–105), [$328,000] *$400,000. (Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$328,000** Estimate 1959, **$400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants for educational materials (total obligations)	$230,000	$328,000	$400,000
Financing:			
Appropriation (new obligational authority)	230,000	328,000	400,000

Grants are made to this nonprofit institution in Louisville, Ky., to manufacture books and teaching materials for the blind and distribute them on a per capita basis to all public educational institutions for the blind and to State departments of education throughout the United States and Territories.

Numbers of blind students served by this program are as follows: 1957, 7,989; 1958, 11,183; 1959 estimate, 12,102.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$230,000	$328,000	$400,000

FOOD AND DRUG ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses [for carrying out the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 301–392); the Tea Importation Act, as amended (21 U. S. C. 41–50); the Import Milk Act (21 U. S. C. 141–149); the Federal Caustic Poison Act (15 U. S. C. 401–411); and the Filled Milk Act, as amended (21 U. S. C. 61–64);] *not otherwise provided for, of the Food and Drug Administration,* including purchase of not to exceed [eighty-nine] *twenty-five* passenger motor vehicles [of which fifty-one shall be] for replacement only; reporting and illustrating the results of investigations; purchase of chemicals, apparatus, and scientific equipment; payment in advance for special tests and analyses by contract; and payment of fees, travel, and per diem in connection with studies of new developments pertinent to food and drug enforcement operations; [$9,300,000] *$9,410,000. (Department of Health, Education, and Welfare Appropriation Act, 1958; Federal Civil Defense Act of 1950, as amended.)*

Appropriated 1958, **$9,300,000** Estimate 1959, **$9,410,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Enforcement operations	$6,322,523	$8,870,100	$8,866,600
2. Civil defense functions			110,000
3. General administration	394,792	429,900	433,400
Total obligations	6,717,315	9,300,000	9,410,000
Financing:			
Unobligated balance no longer available	61,685		
Appropriation (new obligational authority)	6,779,000	9,300,000	9,410,000

The laws enforced hereunder are designed to protect consumers against adulterated and misbranded foods, drugs, cosmetics, therapeutic devices, and caustic poisons.

1. *Enforcement operations.*—Inspections of domestic plants and examinations of interstate shipments are planned according to the relative incidence and seriousness of probable violations. About 83,000 manufacturers, shippers, and warehouses are subject to inspection. Retail establishments are also subject to the prohibition against adulteration or misbranding of articles from interstate sources. Voluntary compliance with the law is promoted wherever possible and permissible to avoid court action, but legal action is taken when necessary. Standards for foods, and tolerances for poisonous substances in foods, and other required regulations are promulgated.

The 1959 budget estimate for enforcement operations provides for initial staffing and auxiliary expenses of a new district office in Detroit, Mich., authorized to be established and equipped in 1958. Also, funds are included to continue the improvement and modernization of facilities of the Food and Drug Administration.

Workload is reflected in the following summary data:

	1957 actual	*1958 estimate*	*1959 estimate*
Establishment inspections	16,799	18,700	19,600
Import lots inspected	29,140	32,400	33,500
Samples collected for examination	27,873	31,000	32,000
Laboratory analyses and other examinations	34,150	38,000	39,500

2. *Civil defense functions.*—The Administration conducts field tests at the site of nuclear explosions to determine effects on foodstuffs, as well as laboratory tests to determine side effects on foods of the industrial uses of atomic power. Training is given to industrial and governmental officials in methods of protecting food supplies from contamination in the event of enemy attack. This activity was funded in 1957 under the Federal Civil Defense Administration's appropriation for Federal agencies.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	1,031		1,180		1,229	
Full-time equivalent of all other positions	2		2		2	
Average number of all employees	962		1,095		1,179	
Number of employees at end of year	1,033		1,150		1,200	
Average GS grade and salary	7.7	$5,748	8.2	$5,965	8.3	$5,997
01 Personal services:						
Permanent positions	$5,512,795		$6,517,500		$7,018,890	
Positions other than permanent	3,302		4,000		4,000	
Other personal services	23,334		50,500		51,610	
Total personal services	5,539,431		6,572,000		7,074,500	
02 Travel	304,589		400,300		457,800	
03 Transportation of things	42,716		66,200		52,500	
04 Communication services	83,503		102,000		105,400	
05 Rents and utility services	1,638		1,700		1,700	
06 Printing and reproduction	42,723		62,700		64,800	
07 Other contractual services	126,592		147,000		116,700	
Services performed by other agencies	54,340		78,000		66,600	
08 Supplies and materials	189,597		246,700		298,700	
Samples	75,223		98,600		104,600	
09 Equipment	254,784		1,114,800		609,100	
11 Grants, subsidies, and contributions			405,000		452,600	
13 Refunds, awards, and indemnities	820		3,000		3,000	
15 Taxes and assessments	1,359		2,000		2,000	
Total obligations	6,717,315		9,300,000		9,410,000	

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES

(Indefinite special account)

[Salaries and expenses, certification, inspection, and other services:] For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesti-

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FOOD AND DRUG ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES—Continued

(Indefinite special account)—Continued

cides, in accordance with sections 406, 408, 504, 506, 507, 604, 702A, and 706 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 346, 346a, 354, 356, 357, 364, 372a, and 376), the aggregate of the advance deposits during the current fiscal year to cover payments of fees for services in connection with such certifications, inspections, or establishment of tolerances, to remain available until expended. The total amount herein appropriated shall be available for [personal services;] purchase of chemicals, apparatus, and scientific equipment; [purchase of not to exceed four passenger motor vehicles for replacement only;] expenses of advisory committees; and the refund of advance deposits for which no service has been rendered. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated (est.) 1958, **$1,254,500** Estimate 1959, **$1,254,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Certification services	$1,223,902	$1,199,696	$1,231,600
2. Pesticides tolerances	24,983	19,500	19,600
3. Seafood inspection	15,652	------	------
4. Refunds	10,451	5,000	3,300
Total obligations	1,274,988	1,224,196	1,254,500
Financing:			
Unobligated balance brought forward	−639,863	−384,784	−415,088
Unobligated balance carried forward	384,784	415,088	415,088
Appropriation (new obligational authority)	1,019,909	1,254,500	1,254,500

Certification is made of antibiotics, insulin, and coal-tar colors for use in foods, drugs, or cosmetics. Tolerances are established for residues of pesticide chemicals on or in raw agriculture products. The services are wholly financed by fees paid by the affected industries which are permanently appropriated for this purpose.

Workload data are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Batches of antibiotics tested	16,654	17,000	17,000
Batches of insulin tested	388	350	350
Batches of coal-tar colors tested	5,170	5,400	5,400
Number of pesticide tolerances established	41	40	40
Number of plants under seafood inspection	2	------	------

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	156	159	159
Full-time equivalent of all other positions	10	------	------
Average number of all employees	151	151	151
Number of employees at end of year	158	155	155
Average GS grade and salary	7.3 $5,549	7.3 $5,451	7.3 $5,510
01 Personal services:			
Permanent positions	$836,113	$825,050	$825,050
Positions other than permanent	59,000	------	------
Other personal services	27,319	28,750	28,750
Total personal services	922,432	853,800	853,800
02 Travel	28,151	12,700	22,700
03 Transportation of things	841	12,200	12,200
04 Communication services	7,283	4,200	4,200
05 Rents and utility services	130	------	------
06 Printing and reproduction	12,403	7,300	7,300
07 Other contractual services	19,901	21,800	21,800
Services performed by other agencies	66,625	60,896	73,200
08 Supplies and materials	120,798	144,500	144,500
09 Equipment	84,941	52,600	60,600
11 Grants, subsidies, and contributions	------	48,300	50,000
13 Refunds, awards, and indemnities	10,486	5,000	3,300
15 Taxes and assessments	997	900	900
Total obligations	1,274,988	1,224,196	1,254,500

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Pharmacological studies for the National Cancer Institute	$84,270	$116,900	$122,500
2. Miscellaneous services to other accounts and testing for other agencies	90,149	82,000	84,000
3. Proceeds from sale of equipment	3,332	5,100	2,500
Total obligations	177,751	204,000	209,000
Financing:			
Advances and reimbursements from—			
Other accounts	174,419	198,900	206,500
Non-Federal sources (40 U. S. C. 481 (c))	3,332	5,100	2,500
Total financing	177,751	204,000	209,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	28	30	30
Average number of all employees	24	29	30
Number of employees at end of year	22	30	30
Average GS grade and salary	6.8 $5,151	6.6 $5,100	6.6 $5,156
01 Personal services:			
Permanent positions	$124,883	$146,100	$151,900
Other personal services	------	600	600
Total personal services	124,883	146,700	152,500
02 Travel	3,909	1,100	1,100
03 Transportation of things	------	200	200
04 Communication services	16	200	200
06 Printing and reproduction	122	200	200
07 Other contractual services	94	200	200
Services performed by other agencies	433	700	800
08 Supplies and materials	42,780	37,500	38,500
09 Equipment	5,014	8,100	5,500
11 Grants, subsidies, and contributions	------	9,100	9,800
15 Taxes and assessments	500	------	------
Total obligations	177,751	204,000	209,000

FREEDMEN'S HOSPITAL

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for operation and maintenance, including repairs; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Salaries and expenses, Howard University" for salaries of technical and professional personnel detailed to the hospital; payments to the appropriation of Howard University for actual cost of heat, light, and power furnished by such university; [$3,000,000] *$2,975,000*: *Provided*, That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title: *Provided further*, That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further*, That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso. (*32 D. C. Code 317–320; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$3,000,000** Estimate 1959, **$2,975,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Inpatient services:			
(a) General hospital	$1,411,163	$1,662,593	$1,684,661
(b) Tuberculosis hospital	251,579	270,100	268,034

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[Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Direct obligations—Continued			
2. Outpatient services	$219,959	$262,607	$258,279
3. Training program	453,816	511,089	501,124
4. Administration	226,280	258,111	262,902
Total direct obligations	2,562,797	2,964,500	2,975,000
Reimbursable obligations:			
1. Inpatient services:			
(*a*) General hospital	876,795	814,720	878,560
(*b*) Tuberculosis hospital	159,417	133,760	142,120
2. Outpatient services	146,132	133,760	142,120
4. Administration	146,132	133,760	129,200
Total reimbursable obligations	1,328,476	1,216,000	1,292,000
Total obligations	3,891,273	4,180,500	4,267,000
Financing:			
Advances and reimbursements from non-Federal sources (32 D. C. Code 318)	−1,328,476	−1,216,000	−1,292,000
Unobligated balance no longer available	238,603	35,500	
Appropriation (new obligational authority)	2,801,400	3,000,000	2,975,000

Affiliated with Howard University as the teaching hospital for the university's medical school, the hospital furnishes patient care and trains physicians, nurses, and other professional and technical personnel. Operation of the hospital is financed by direct appropriation and revenue from the following sources:

RECEIPTS FOR PATIENT CARE

	1957 actual	*1958 estimate*	*1959 estimate*
Pay patients	$822,562	$822,225	$898,225
District of Columbia Government	471,643	359,500	359,500
Other jurisdictions	34,271	34,275	34,275
Total receipts	1,328,476	1,216,000	1,292,000

1. *Inpatient services.*—The general hospital consists of 320 general beds and 50 bassinets. The tuberculosis hospital consists of 150 beds. Patient loads are expected to be as follows:

AVERAGE DAILY PATIENT LOAD

	1957 actual	*1958 estimate*	*1959 estimate*
(*a*) General hospital:			
Adults	275	262	262
Newborn	32	33	33
(*b*) Tuberculosis hospital	54	52	52
Total	361	347	347

2. *Outpatient services.*—There are 36 clinics and 2 emergency operating rooms.

	1957 actual	*1958 estimate*	*1959 estimate*
Clinic visits	58,140	58,000	58,000
Emergency room visits	32,882	32,000	32,000
Total	91,022	90,000	90,000

3. *Training program.*—Average student enrollment in the training program is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Student nurses	81	88	101
Residents and medical and dental interns	66	71	68
Administrative, dietetic, and pharmaceutical interns	12	13	15
Total	159	172	184

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	667	684	688
Full-time equivalent of all other positions	160	172	184
Average number of all employees	790	822	837
Number of employees at end of year	842	825	840
Average GS grade and salary	4.5 $4,189	4.9 $4,239	4.9 $4,239
Average ungraded salary	$3,343	$3,361	$3,361
Personal service obligations:			
Permanent positions	$2,505,750	$2,619,872	$2,634,971
Positions other than permanent	382,117	424,774	440,172
Other personal services	326,097	353,854	391,257
Total personal service obligations	3,213,964	3,398,500	3,466,400

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Direct obligations:			
01 Personal services	$2,159,333	$2,458,115	$2,466,524
02 Travel	1,492	1,500	1,500
03 Transportation of things	325	325	400
04 Communication services	22,701	23,000	23,000
05 Rents and utility services	79,117	84,720	95,360
06 Printing and reproduction	5,017	3,650	3,650
07 Other contractual services	32,545	13,640	27,880
Services performed by other agencies	10,242	12,000	12,000
08 Supplies and materials	311,188	342,560	338,670
09 Equipment	29,720	30,965	36,100
11 Grants, subsidies, and contributions		88,860	91,670
13 Refunds, awards, and indemnities	416		
15 Taxes and assessments	7,030	7,000	7,000
Subtotal	2,659,126	3,066,335	3,103,754
Deduct quarters and subsistence charges	96,329	101,835	128,754
Total direct obligations	2,562,797	2,964,500	2,975,000
Reimbursable obligations:			
01 Personal services	1,054,631	940,385	999,876
05 Rents and utility services	39,855	36,480	25,840
07 Other contractual services	13,285	12,160	12,920
08 Supplies and materials	199,271	170,240	180,880
09 Equipment	26,569	12,160	25,840
11 Grants, subsidies, and contributions		48,640	51,680
Subtotal	1,333,611	1,220,065	1,297,036
Deduct quarters and subsistence charges	5,135	4,065	5,036
Total reimbursable obligations	1,328,476	1,216,000	1,292,000
Total obligations	3,891,273	4,180,500	4,267,000

GALLAUDET COLLEGE

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For the partial support of Gallaudet College, including personal services and miscellaneous expenses, and repairs and improvements, as authorized by the Act of June 18, 1954 (Public Law 420), [$730,000] *$785,000: Provided,* That Gallaudet College shall be paid by the District of Columbia, in advance at the beginning of each quarter, at the rate of $1,295 per school year for each student attending and receiving instruction in elementary or secondary education pursuant to the Act of March 1, 1901 (31 D. C. Code 1008). (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$730,000** Estimate 1959, **$785,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General administration	$70,411	$80,382	$82,302
2. Resident instruction and departmental research:			
(*a*) Gallaudet College	350,240	416,788	434,138
(*b*) Kendall School	82,695	97,430	102,205
3. General library	52,892	60,400	61,925
4. Operation and maintenance of physical plant	169,555	191,830	218,910
5. Auxiliary services and noneducational expense	155,373	165,589	167,939
Total obligations	881,166	1,012,419	1,067,419
Financing:			
Advances and reimbursements from—			
Other accounts	−19,950	−15,660	−10,000
Non-Federal sources	−246,216	−266,759	−272,419
Appropriation (new obligational authority)	615,000	730,000	785,000

NOTE.—Advances and reimbursements from non-Federal sources are from tuition in part from the District of Columbia under D. C. Code, title 31, sec. 1008, and other tuition fees.

Gallaudet College provides advanced education for the deaf, a graduate department to train teachers of the deaf, and a research department to provide information about the deaf. It also operates the Kendall School which provides elementary and secondary education for deaf children and serves as a laboratory school for the graduate department.

	1957 actual	*1958 estimate*	*1959 estimate*
Gallaudet College, average enrollment	306	336	340
Kendall School, average enrollment	76	70	70

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GALLAUDET COLLEGE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Non-Federal employees:			
Total number of permanent positions	154	171	175
Full time equivalent of all other positions	7	5	5
Average number of all employees	154	170	174
Number of employees at end of year	154	171	175
Average salary of ungraded positions	$4,290	$4,390	$4,475
01 Personal services:			
Permanent positions	$625,565	$718,780	$755,180
Positions other than permanent	33,083	20,000	20,000
Other personal services	404	500	500
Total personal services	659,052	739,280	775,680
02 Travel	3,613	3,500	3,500
03 Transportation of things	1,776	1,500	1,500
04 Communication services	5,109	5,000	5,000
05 Rents and utility services	12,695	12,500	15,500
06 Printing and reproduction	1,900	250	250
07 Other contractual services	34,841	50,000	57,200
08 Supplies and materials	124,945	126,059	131,409
09 Equipment	58,309	50,000	50,000
11 Grants, subsidies, and contributions		46,000	49,050
13 Refunds, awards, and indemnities	316		
15 Taxes and assessments	750	750	750
Subtotal	903,306	1,034,839	1,089,839
Deduct quarters and subsistence charges	22,140	22,420	22,420
Total obligations	881,166	1,012,419	1,067,419

CONSTRUCTION PROGRAM

The first stage of the building program, started in 1956, provided for a women's residence hall, which has been completed, and a physical activities-heating plant building, now under construction.

The 1957 budget provided for a classroom-science building and a speech and hearing clinic for which construction contracts have been let. The third stage of the program, provided by a 1958 appropriation, permits construction of a cafeteria and service building (student union) and a men's residence hall. These are now in the planning stage.

The 1959 estimate of $123,000 is for the preparation of plans and specifications for an auditorium, a classroom and dormitory building for Kendall School, greenhouses, athletic fields and stands, maintenance group building and apartments, and related services. An estimated additional amount of $2,017,000 will be necessary in the future for the completion of the fourth and final stage at an estimated cost of $2,140,000.

The following table shows the construction program and the estimated costs:

[Estimated costs]

	Stage I, 1956	*Stage II, 1957*	*Stage III, 1958*	*Stage IV*
Project:				
Women's residence hall	$676,500			
Physical activities-heating plant building	1,548,500			
Classroom-science building		$1,887,000		
Speech and hearing center		260,000		
Additional boiler and laundry equipment		350,000		
Cafeteria and service building			$990,000	
Men's residence hall			600,000	
Auditorium				$355,000
Classrooms and dormitories, Kendall School				863,000
Greenhouses				50,000
Athletic fields and stands				235,000
Maintenance group building				60,000
Maintenance group personnel apartments				30,000
Outside services, roads, walks, and grading		50,000	100,000	547,000
Total	2,225,000	2,547,000	1,690,000	2,140,000

CONSTRUCTION

[Construction:] For the *preparation of plans and specifications for* construction and equipment of buildings and facilities on the grounds of Gallaudet College, as authorized by the Act of June 18, 1954 (Public Law 420), under the supervision of the General Services Administration, [including planning, architectural, and engineering services, $1,690,000] *$123,000*, to remain available until [June 30, 1959] *expended*, as follows: For [a cafeteria and service building and a men's dormitory, together with] *an auditorium; a classroom and dormitory building, Kendall School; greenhouses; athletic fields and stands; maintenance building; maintenance personnel apartments; and* alterations, installations, [and] equipment, [in connection with such construction, and for beginning] roads, walks, and grading [in connection with such construction]. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$1,690,000** Estimate 1959, **$123,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc	$140,721	$179,500	$227,350
2. Construction	1,925,259	2,178,500	1,782,650
Total obligations	2,065,980	2,358,000	2,010,000
Financing:			
Unobligated balance brought forward	−2,130,772	−2,611,792	−1,943,792
Unobligated balance carried forward	2,611,792	1,943,792	56,792
Appropriation (new obligational authority)	2,547,000	1,690,000	123,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$1	$100	$200
06 Printing and reproduction	5,112	10,000	14,500
07 Other contractual services	135,428	178,900	222,050
08 Supplies and materials	180	500	100
09 Equipment	5,360	57,000	267,400
10 Lands and structures	1,919,899	2,111,500	1,505,750
Total obligations	2,065,980	2,358,000	2,010,000

HOWARD UNIVERSITY

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, [$3,800,000] *$4,000,000.* (*20 U. S. C. 123; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$3,800,000** Estimate 1959, **$4,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General administration	$650,955	$657,285	$657,285
2. Resident instruction and departmental research	3,443,409	4,199,354	4,431,204
3. General library	169,069	178,439	178,439
4. Operation and maintenance of physical plant	904,402	950,485	991,381
5. Auxiliary enterprises and noneducational expense	1,077,511	1,123,721	1,123,721
Total obligations	6,245,346	7,109,284	7,382,030
Financing:			
Advances and reimbursements from—			
Other accounts	−283,159	−313,507	−351,253
Non-Federal sources	−2,662,187	−2,995,777	−3,030,777
Appropriation (new obligational authority)	3,300,000	3,800,000	4,000,000

NOTE.—Reimbursements from non-Federal sources above are from tuition, other student fees, gifts and grants, endowment income, and sales by auxiliary enterprises.

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The university consists of an undergraduate college, a graduate school offering the master's degree and the degree of doctor of philosophy (in chemistry), and eight professional schools. Federal funds provide approximately 54.2% of the operating costs.

1. *General administration.*—The university is administered by a private board of trustees and staff of officers.

2. *Resident instruction and departmental research.*—This activity includes all direct expenditures for the operation of the educational program in the 10 schools and colleges.

3. *General library.*—The general library serves the needs of 10 schools and colleges, and supervises, in part, the professional collections.

4. *Operation and maintenance of physical plant.*—The operation and maintenance staff services 47 buildings located on the university's 60-acre campus.

5. *Auxiliary enterprises and noneducational expense.*—The dormitories, food service, bookstores, and athletic program included under this activity are intended to be self-supporting and render service at lowest possible cost. The noneducational expense covers cost of student-aid program.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	799	900	926
Full-time equivalent of all other positions	208	237	237
Average number of all employees	1,007	1,137	1,163
Number of employees at end of year	1,347	1,448	1,474
Average grade and salary established by board of trustees	4.0 $3,497	4.0 $3,555	4.0 $3,644
Average salary of instructional grades	$6,159	$6,273	$6,519
01 Personal services:			
Permanent positions	$3,598,316	$4,210,614	$4,444,399
Positions other than permanent	704,102	802,080	802,330
Other personal services	6,309	6,309	6,309
Total personal services	4,308,727	5,019,003	5,253,038
02 Travel	63,728	68,406	68,406
03 Transportation of things	2,568	2,881	2,881
04 Communication services	51,672	49,794	49,794
05 Rents and utility services	111,598	127,895	129,095
06 Printing and reproduction	61,492	53,852	53,852
07 Other contractual services	302,022	369,552	370,452
08 Supplies and materials	701,723	716,175	737,014
09 Equipment	144,724	168,823	182,359
11 Grants, subsidies, and contributions	403,169	430,405	430,405
12 Pensions	21,170	21,473	21,473
15 Taxes and assessments	72,753	81,025	83,261
Total obligations	6,245,346	7,109,284	7,382,030

Plans and Specifications

[Plans and specifications:] For the preparation of plans and specifications for construction, under the supervision of the General Services Administration, on the grounds of Howard University, of a physical education building [and a home economics building, $150,000], *$171,000*, to remain available until [June 30, 1959] *expended. (20 U. S. C. 123; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$150,000** Estimate 1959, **$171,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Science hall alterations	$20		
Law school building	4,210	$4,500	
Biology-greenhouse building	9		
Administration building	760	500	
Men's dormitory	15,402	1,706	
Preclinical medical building	574	1,976	
Pharmacy building	5,894		
Physical education building		80,000	$171,000
Home economics building		68,200	
Total obligations	26,809	156,882	171,000
Financing:			
Unobligated balance brought forward	−41,432	−14,623	−7,741
Unobligated balance carried forward	14,623	7,741	7,741
Appropriations (new obligational authority)		150,000	171,000

A master development plan and plans and specifications for 10 building projects and 1 alteration project have been authorized and completed. Plans and specifications for 2 additional projects, a home economics building and a physical education building, are underway; the former of which is to be completed and the latter partially completed during 1958. The estimate provides for completion of plans and specifications for the physical education building.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$26,809	$156,882	$171,000

Construction Program

Since 1945 the Federal Government has been financing a major construction program at Howard University which includes the erection of a number of new buildings and alterations and repairs to the existing physical plant. Both direct appropriations and contract authorizations have been available. The following table sets forth the authorized construction programs and the estimated obligational authority available through 1958. Appropriations in the amount of $11,160,004 have been made to liquidate $12,754,804 in contract authority, leaving an estimated balance of $1,594,800 to be financed to the extent needed. An appropriation of $163,000 is requested for 1959 to liquidate a portion of the unfinanced contract authority for the men's dormitory.

ACTUAL AND ESTIMATED OBLIGATIONAL AUTHORITY THROUGH 1958

Project	*Direct appropriation*	*Construction authorization including escalation and rescissions*	*Total obligational authority*	*Status of project*
Women's dormitory	$665,220	$1,085,180	$1,750,400	Completed.
Science hall alterations	307,240		307,240	Do.
Engineering building	712,700	1,406,160	2,118,860	Do.[1]
Dental building	1,542,221	1,715,459	3,257,680	Do.[1]
Pharmacy building	904,500		904,500	Do.[1]
Law school building	325,000	977,100	1,302,100	Do.[1]
Biology-greenhouse building	231,000	1,539,500	1,770,500	Do.[1]
Administration building	348,000	1,186,500	1,534,500	Do.[1]
Preclinical medical building	4,436,000		4,436,000	To be completed, 1958.
Power substation	272,000		272,000	Do.
Men's dormitory	96,000	2,374,000	2,470,000	To be completed, 1959.
Auditorium-fine arts building	1,122,080	2,470,905	3,592,985	To be completed, 1960.
Other	642,000		642,000	Completed.
Total	11,603,961	12,754,804	24,358,765	

[1] Except for equipment.

Construction of Men's Dormitory (Liquidation of Contract Authorization)

For payment of obligations incurred under authority previously provided, to enter contracts for the construction of the men's dormitory, $163,000. (20 U. S. C. 123.)

Estimate 1959, **$163,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Men's dormitory (total obligations)	$1,395,690	$395,510	$11,000
Financing:			
Unobligated balance brought forward:			
Appropriation	−1,353,000	−243,510	
Contract authorization	−286,200	−734,800	−582,800
Unobligated balance carried forward:			
Appropriation	243,510		
Contract authorization	734,800	582,800	571,800
Contract authorization (new)	734,800		

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HOWARD UNIVERSITY—Continued

Current authorizations—Continued

CONSTRUCTION OF MEN'S DORMITORY (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year	$286,200	$734,800	$734,800
Contract authorization (new)	734,800		
Unfunded balance at end of year	−734,800	−734,800	−571,800
Appropriation to liquidate contract authorization	286,200		163,000

Object Classification

ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
10 Lands and structures	$1,395,690	$395,510	$11,000

CONSTRUCTION OF BUILDINGS

[Construction of buildings: For equipping the dental school building under the supervision of General Services Administration, $262,000, to remain available until June 30, 1959, and such amount shall be in addition to the limitation of cost established by Public Law 452, Eighty-second Congress.] *(20 U. S. C. 123; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$262,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Auditorium-fine arts building	$12,011	$497,495	$508,189
2. Science hall alterations	2,883	86	
3. Law school building	22,171	10,000	44,002
4. Biology-greenhouse building	11,762	2,688	
5. Administration building	98,468	5,107	
6. Men's dormitory	21,435	23,161	44,246
7. Preclinical medical building	133,690	283,726	
8. Pharmacy building	−5,695	12,496	
9. Dental building	42,109	328,691	
10. Engineering building	5,220	1,310	
11. Women's dormitories	−367		
12. Power plant—vacuum pump	1,000		
13. Power plant—substation	3,431	30,200	
14. Power plant—repairs	−97	1,188	
15. Telephone duct distribution system	13,971		
Total obligations	361,992	1,196,148	596,437
Financing:			
Unobligated balance brought forward	−1,923,335	−1,661,343	−722,027
Unobligated balance carried forward	1,661,343	722,027	125,590
Unobligated balance no longer available		5,168	
Appropriation (new obligational authority)	100,000	262,000	

Object Classification

HOWARD UNIVERSITY			
07 Other contractual services (total obligations)	$18,736	$43,745	$49,244
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
02 Travel	1	100	100
03 Transportation of things	−30	100	100
06 Printing and reproduction	829	3,500	500
07 Other contractual services	118,131	97,618	2,500
08 Supplies and materials	1,921	2,000	300
09 Equipment	222,404	573,490	312,000
10 Lands and structures		475,595	231,693
Total, Public Buildings Service	343,256	1,152,403	547,193
Total obligations	361,992	1,196,148	596,437

CONSTRUCTION OF ADMINISTRATION BUILDING (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration building (total obligations)	$28,047		
Financing:			
Unobligated balance brought forward: Appropriation	−28,047		
Contract authorization (new)			

Object Classification

ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
10 Lands and structures	$28,047		

CONSTRUCTION OF AUDITORIUM-FINE ARTS BUILDING (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Auditorium-fine arts building (total obligations)		$2,470,905	
Financing:			
Unobligated balance brought forward: Appropriation	−$1,610,905	−1,610,905	
Unobligated balance carried forward: Appropriation	1,610,905		
Contract authorization (new)		860,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year			$860,000
Contract authorization (new)		$860,000	
Unfunded balance at end of year		−860,000	−860,000
Appropriation to liquidate contract authorization			

Object Classification

ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
10 Lands and structures		$2,470,905	

CONSTRUCTION OF BIOLOGY-GREENHOUSE BUILDING (CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Biology-greenhouse building (total obligations)	$50,352		
Financing:			
Unobligated balance brought forward: Appropriation	−471,552	−$421,200	
Unobligated balance carried forward	421,200		
Unobligated balance no longer available		421,200	
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$421,200	$421,200	
Administrative cancellation of unfunded balance		−421,200	
Unfunded balance at end of year	−421,200		
Appropriation to liquidate contract authorization			

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Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
10 Lands and structures	$50,352		

CONSTRUCTION OF LAW SCHOOL BUILDING (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$540,000		
Unobligated balance no longer available	540,000		
Appropriation (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$540,000		
Administrative cancellation of unfunded balance	−540,000		
Appropriation to liquidate contract authorization			

OFFICE OF EDUCATION

Current authorizations:

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

[Promotion and further development of vocational education:] For carrying out the provisions of section 3 of the Vocational Education Act of 1946, as amended (20 U. S. C., ch. 2; 70 Stat. 1126), and section 202 of said Act (70 Stat. 925), section 4 of the Act of March 10, 1924 (20 U. S. C. 29), section 1 of the Act of March 3, 1931 (20 U. S. C. 30), the Act of March 18, 1950 (20 U. S. C. 31), and section 9 of the Act of August 1, 1956 (70 Stat. 909), including $4,000,000 for extension and improvement of practical nurse training, and $228,000 for vocational education in the fishery trades and industry including distributive occupations therein, $33,750,081: *Provided*, That the apportionment to the States under section 3 (a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed $29,267,081 for the current fiscal year: *Provided further*, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$33,750,081** Estimate 1959, **$33,750,081**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants to States and Territories under George-Barden Act	$30,295,552	$33,575,081	$33,575,081
2. Other grants to Territories	175,000	175,000	175,000
Total obligations	30,470,552	33,750,081	33,750,081
Financing:			
Unobligated balance no longer available	971,529		
Appropriation (new obligational authority)	31,442,081	33,750,081	33,750,081

Grants are made to the States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia on the basis of different formulas for training students and teachers in agriculture, home economics, trades and industry, distributive occupations, practical nurse training, and the fishing trades and industry. Additional grants for vocational education are provided through a permanent appropriation.

While the budget recommends continuation of these programs at the 1958 level, it is expected that by the end of 1959 the Federal Government and the States will have had an opportunity to act on the recommendations of the Joint Federal-State Action Committee that the States assume this function entirely. Therefore, it is anticipated that no funds will be required in the 1960 budget for this purpose, should these recommendations be accepted as practicable by the Congress.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$30,470,552	$33,750,081	$33,750,081

FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND THE MECHANIC ARTS

[Further endowment of colleges of agriculture and the mechanic arts:] For carrying out the provisions of section 22 of the Act of June 29, 1935, as amended (7 U. S. C. 329), $2,501,500. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$2,501,500** Estimate 1959, **$2,501,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants to States (total obligations)	$2,501,500	$2,501,500	$2,501,500
Financing:			
Appropriation (new obligational authority)	2,501,500	2,501,500	2,501,500

This annual appropriation, plus the permanent appropriation for the same purpose, supports college instruction in agriculture, the mechanic arts, and related fields, in the 69 land-grant colleges. Each State and Territory receives a minimum of $20,000, the balance being distributed on a basis of population.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$2,501,500	$2,501,500	$2,501,500

GRANTS FOR LIBRARY SERVICES

[Grants for library services:] For grants to the States pursuant to the Act of June 19, 1956, as amended (70 Stat. 293–296, 911), [$5,000,000] *$3,000,000*: *Provided*, That the amount of any State's allotment from this appropriation which such State certifies will remain unpaid to it on June 30, [1959] *1960*, may be reallotted by the Commissioner among other States applying therefor in proportion to their rural population, and deemed part of such allotments, except that no State's allotment shall be so increased as to exceed the allotment which would be made to it were this appropriation equal to the maximum authorized under such Act. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$5,000,000** Estimate 1959, **$3,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants to States and Territories (total obligations)	$2,050,000	$5,000,000	$3,000,000
Financing:			
Appropriation (new obligational authority)	2,050,000	5,000,000	3,000,000

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

GRANTS FOR LIBRARY SERVICES—Continued

Grants are made to the States, Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands on a matching basis for the promotion and further development of public library service in rural areas. Each State and Territory receives a minimum of $40,000 ($10,000 for the Virgin Islands and Guam), the balance being distributed on the basis of rural population.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$2,050,000	$5,000,000	$3,000,000

ASSISTANCE FOR SCHOOL CONSTRUCTION

[Assistance for school construction:] For an additional amount for [providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by title III and title IV of the Act of September 23, 1950, as amended (20 U. S. C., ch. 14; 70 Stat. 909, 968–969), including not to exceed $700,000 for] necessary expenses of technical services rendered by other agencies [and not to exceed $5,000,000 for title IV, $41,700,000, to remain available until June 30, 1959] *in connection with titles III and IV of the Act of September 23, 1950, as amended (20 U. S. C., ch. 14), $850,000: Provided*, That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$41,700,000** Estimate 1959, **$850,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities			
1. Assistance to local educational agencies	$95,131,625	$44,091,395	
2. Assistance for school construction on Federal properties:			
(a) Under title II, Public Law 815	1,967	45,872	
(b) Under title III, Public Law 815	5,575,054	7,873,326	$8,000,000
3. Payments for technical services	785,753	792,547	850,000
Total obligations	101,494,399	52,803,140	8,850,000
Financing:			
Unobligated balance brought forward	−12,097,539	−19,103,140	−8,000,000
Unobligated balance carried forward	19,103,140	8,000,000	
Appropriation (new obligational authority)	108,500,000	41,700,000	850,000

From 1951 through 1958, $769.1 million has been appropriated for this program, aiding in the construction of an estimated 35,000 classrooms housing about 1 million pupils in 48 States, Alaska, Hawaii, Puerto Rico, and Guam.

1. *Assistance to local educational agencies.*—Grants are made for school construction in local districts overburdened by Federal activities.

2. *Assistance for school construction on Federal properties.*—Where the local education agency is not able to provide school facilities for children living on Federal properties, the Commissioner of Education provides for the construction of schools.

3. *Payments for technical services.*—While the program has been extended through 1959, the estimate will provide only for technical assistance rendered by other agencies in connection with school construction now in progress or to be authorized in 1958.

A supplemental for 1958 is anticipated and appears below. The program is scheduled to expire on June 30, 1959. An estimate for proposed legislation to extend the program with amendments also appears below.

Object Classification

	1957 actual	1958 estimate	1959 estimate
OFFICE OF EDUCATION			
11 Grants, subsidies, and contributions (total obligations)	$95,131,625	$44,091,395	
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
Average number of all employees	9	5	2
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$66,371	$33,350	$14,775
02 Travel	16,346	8,700	3,900
04 Communication services	885	400	200
07 Other contractual services	786,403	792,847	850,100
08 Supplies and materials	178	100	100
10 Lands and structures	5,492,587	7,874,198	7,980,000
11 Grants, subsidies, and contributions		2,100	900
15 Taxes and assessments	4	50	25
Total, Housing and Home Finance Agency	6,362,774	8,711,745	8,850,000
Total obligations	101,494,399	52,803,140	8,850,000

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; [fostering coordination of public and school library service;] coordination of library service on the national level with other forms of adult education; [developing library participation in Federal projects; fostering nationwide coordination of research materials among libraries, interstate library coordination and the] development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; [collection, exchange, and cataloging of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same;] and cooperative research, surveys, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U. S. C. 331–332); [$7,000,000] *$7,950,000*, of which not less than $550,000 shall be available for the Division of Vocational Education as authorized. (*7 U. S. C. secs. 301–341; 8 U. S. C. sec. 1101 (a) (15) (F); 20 U. S. C. Ch. 1, 2, 13 and 14; 38 U. S. C. sec. 954 (b), 963; 70 Stat. 293–296; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$7,000,000** Estimate 1959, **$7,950,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration of school assistance in federally affected areas	$998,201	$1,064,840	$892,000
2. Educational services:			
(a) Planning	19,683	28,465	28,520
(b) Vocational education	561,732	623,915	633,000
(c) State and local school systems	990,169	1,144,940	1,333,000
(d) Higher educational institutions	275,891	317,400	650,000
(e) International education	141,798	184,735	296,000
(f) Publications	231,199	227,330	261,000
(g) Legislative reference	59,815	61,040	62,000
3. Research services:			
(a) Planning	67,719	109,800	127,000
(b) Research and statistical services	462,360	582,585	597,000
(c) Cooperative agreements	998,230	2,300,000	2,700,000
4. Program direction and management	340,532	354,950	370,480
Total obligations	5,147,329	7,000,000	7,950,000
Financing:			
Unobligated balance no longer available	122,671		
Appropriation (new obligational authority)	5,270,000	7,000,000	7,950,000

1. *Administration of school assistance in federally affected areas.*—Applications for school construction and school operation expenses in areas where facilities are burdened by Federal activities are examined and acted upon. The

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school construction program has been extended to June 30, 1959. The program of aid for operating expenses expires on June 30, 1958. Legislation will be proposed for amendment and extension of both programs, and estimates for this purpose appear below.

2. *Educational services.*—Information is developed and publications are issued related to elementary, secondary, and higher education, and a clearinghouse of information is maintained on the status and developments in school law, both Federal and State. Consultative and advisory services are provided to Federal, State, and local agencies, to professional groups, and to higher educational institutions, and the States are given assistance in the appraisal and development of vocational education programs. Information is also developed and disseminated on education in other countries; educational exchange programs are administered in cooperation with the Department of State and International Cooperation Administration. An amount of $50,000 is included in the estimate for development of civil defense educational materials.

3. *Research services.*—Assistance is provided on planning research studies and major responsibility assumed for collection and analysis of basic educational statistics. Research and demonstration projects are carried on in cooperation with colleges, universities, and State educational agencies. Projects are supported in such problem areas as education of the mentally retarded, development of students with special abilities, staffing the Nation's schools, and the educational implications of changes in the country's economy. In 1957, $647,894 was obligated for 42 cooperative research projects in education of the mentally retarded and $350,336 for 30 projects in other problem areas.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	564	589	585
Full-time equivalent of all other positions	19	2	53
Average number of all employees	495	565	615
Number of employees at end of year	563	589	585
Average GS grades and salaries	8.6 $6,449	8.7 $6,527	8.7 $6,606
01 Personal services:			
Permanent positions	$3,046,388	$3,664,057	$3,700,340
Positions other than permanent	125,095	12,000	349,350
Other personal services	34,791	14,785	14,865
Total personal services	3,206,274	3,690,842	4,064,555
02 Travel	276,492	275,925	310,280
03 Transportation of things	2,179	5,695	2,495
04 Communication services	67,943	69,405	74,500
06 Printing and reproduction	316,931	285,600	334,695
07 Other contractual services	110,554	89,560	135,460
Cooperative research agreements	991,460	2,300,000	2,700,000
08 Supplies and materials	36,323	35,750	40,590
09 Equipment	133,915	23,510	35,205
11 Grants, subsidies, and contributions		219,698	247,905
13 Refunds, awards, and indemnities	1,485		
15 Taxes and assessments	3,773	4,015	4,315
Total obligations	5,147,329	7,000,000	7,950,000

President's Committee on Education Beyond the High School

[President's Committee on Education Beyond the High School: For salaries and expenses for the President's Committee on Education Beyond the High School, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and expenses of attendance at meetings, $50,000.] (*70 Stat. 676–677; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$50,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Staff services, administration, and research (total obligations)	$148,576	$50,000	
Financing:			
Unobligated balance no longer available	1,424		
Appropriation (new obligational authority)	150,000	50,000	

The Committee will complete its activities in 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	11		
Full-time equivalent of all other positions	2		
Average number of all employees	8	4	
Number of employees at end of year	8	0	
Average GS grade and salary	8.9 $6,721		
Average salary of ungraded position	$14,000		
01 Personal services:			
Permanent positions	$46,680		
Positions other than permanent	6,413	$16,070	
Other personal services	8,984	8,330	
Total personal services	62,077	24,400	
02 Travel	30,210	8,050	
03 Transportation of things	10		
04 Communication services	2,700	5,400	
06 Printing and reproduction	22,638	9,200	
07 Other contractual services	29,109	1,900	
08 Supplies and materials	841	350	
09 Equipment	437		
11 Grants, subsidies, and contributions		600	
15 Taxes and assessments	554	100	
Total obligations	148,576	50,000	

Payments to School Districts

[Payments to school districts: For payments to local educational agencies for the maintenance and operation of schools as authorized by the Act of September 30, 1950, as amended (20 U. S. C. ch. 13; 70 Stat. 909, 970–972), $127,000,000: *Provided,* That this appropriation shall also be available for carrying out the provisions of section 6 of such Act.] (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$127,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments to local educational agencies	$107,923,228	$121,124,255	
2. Payments to other Federal agencies	5,061,747	5,875,745	
Total obligations	112,984,975	127,000,000	
Financing:			
Unobligated balance no longer available	65,025		
Appropriation (new obligational authority)	113,050,000	127,000,000	

Payments are made to assist in the maintenance and operation of schools in local districts overburdened by Federal activities. However, where such districts cannot assume responsibility for educating federally connected children, payments are made to other agencies for the direct operation of schools under Federal auspices.

In 1958 payments will be made to about 3,500 school districts enrolling approximately 1,300,000 federally connected pupils in all the States, Alaska, Guam, Hawaii,

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

PAYMENTS TO SCHOOL DISTRICTS--Continued

and Puerto Rico. This compares to 3,331 districts and 1,190,000 pupils in 1957.

This program is scheduled to expire on June 30, 1958. An estimate for proposed legislation to extend the program with amendments appears below.

Object Classification

	1957 actual	1958 estimate	1959 estimate
OFFICE OF EDUCATION			
11 Grants, subsidies, and contributions	$109,973,140	$126,972,419	
ALLOCATION ACCOUNTS			
Total number of permanent positions	39	2	
Full-time equivalent of all other positions	12	1	
Average number of all employees	46	3	
Number of employees at end of year	34	0	
Average GS grade and salary	5.6 $4,485	7.0 $4,525	
01 Personal services:			
Permanent positions	$162,840	$7,675	
Positions other than permanent	32,455	3,735	
Other personal services	5,897	1,923	
Total personal services	201,192	13,333	
02 Travel	3,239	28	
03 Transportation of things	22,307		
04 Communication services	1,702	10	
05 Rents and utility services	25,623	140	
07 Other contractual services	2,595,231	13,296	
08 Supplies and materials	132,773	1,653	
09 Equipment	16,098		
15 Taxes and assessments	14,763	273	
Subtotal	3,012,928	28,733	
Deduct quarters and subsistence charges	1,093	1,152	
Total, allocation accounts	3,011,835	27,581	
Total obligations	112,984,975	127,000,000	
Obligations are distributed as follows:			
Office of Education	$109,973,140	$126,972,419	
Department of the Army	2,989,950		
Department of Commerce	12,529	15,373	
Department of the Interior	6,361	8,555	
Veterans Administration	2,995	3,653	

Permanent authorizations:

COLLEGES FOR AGRICULTURE AND THE MECHANIC ARTS

Appropriated 1958, **$2,550,000** Estimate 1959, **$2,550,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants to States (total obligations)	$2,550,000	$2,550,000	$2,550,000
Financing:			
Appropriation (new obligational authority)	2,550,000	2,550,000	2,550,000

Each State and Territory receives $50,000 for college instruction, including facilities, in agriculture, the mechanic arts, and related fields, and for the training of teachers in these fields (7 U. S. C. 301–308; 321–328).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$2,550,000	$2,550,000	$2,550,000

PROMOTION OF VOCATIONAL EDUCATION, ACT FEBRUARY 23, 1917

(Indefinite)

Appropriated 1958, **$7,138,331** Estimate 1959, **$7,138,331**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants to States (total obligations)	$7,131,484	$7,138,331	$7,138,331
Financing:			
Unobligated balance no longer available	6,847		
Appropriation (new obligational authority)	7,138,331	7,138,331	7,138,331

Grants are made to the States on a dollar-for-dollar matching basis to assist the States in paying the salaries of teachers of agriculture, trade, home economics, and industrial subjects, and for the training of teachers of these subjects (20 U. S. C. 11–18).

In accordance with the recommendation of the Joint Federal-State Action Committee that the function of vocational education be assumed entirely by the States, legislation is expected to be proposed for repeal of vocational education grants under the Smith-Hughes Act of 1917. Therefore, it is not anticipated that the 1960 budget will carry funds for this purpose.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$7,131,484	$7,138,331	$7,138,331

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. College housing loan program (Housing and Home Finance Agency)	$37,504	$20,900	
2. Veterans educational services (Veterans Administration)	4,201		
3. Office of Education	23,493	35,000	$35,000
4. Miscellaneous services to other accounts	7,432	10,000	10,000
5. Other	390		
Total obligations	73,020	65,900	45,000
Financing:			
Advances and reimbursements from—			
Other accounts	50,304	30,900	10,000
Non-Federal sources (40 U. S. C. 481 (c) and 68 Stat. 439)	22,912	35,000	35,000
Unobligated balance no longer available	−196		
Total financing	73,020	65,900	45,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5	3	
Full-time equivalent of all other positions	1	1	
Average number of all employees	6	4	1
Number of employees at end of year	6	3	0
Average GS grade and salary	8.4 $6,650	8.0 $6,605	
01 Personal services:			
Permanent positions	$32,670	$18,920	
Positions other than permanent	9,918	6,000	$6,000
Other personal services	40	80	
Total personal services	42,628	25,000	6,000
02 Travel	24,708	35,000	35,000
03 Transportation of things	5		
04 Communication services	451	200	
06 Printing and reproduction	2,548	100	
07 Other contractual services	1,290	4,160	4,000
08 Supplies and materials	280	225	
09 Equipment	983		
11 Grants, subsidies, and contributions		1,215	
15 Taxes and assessments	127		
Total obligations	73,020	65,900	45,000

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Proposed for later transmission:

ASSISTANCE FOR SCHOOL CONSTRUCTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Assistance to local educational agencies		$50,400,000	
2. Assistance for school construction on Federal properties: Under title III, Public Law 815		6,500,000	
3. Payments for technical services		100,000	
Total obligations		57,000,000	
Financing:			
Proposed supplemental appropriation		57,000,000	

Under existing legislation, 1958.—A supplemental request of $57 million is anticipated for 1958 as a result of the enactment of Public Law 267, 85th Congress, which extended the school construction program through June 30, 1959.

PAYMENTS TO SCHOOL DISTRICTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payments for education in federally affected areas (total obligations)			$110,000,000
Financing:			
Proposed supplemental appropriation			110,000,000

Under proposed legislation, 1959.—Public Law 874, 81st Congress, which authorizes aid for maintenance and operating expenses of school districts in areas overburdened by Federal activities, expires June 30, 1958. Legislation will be proposed to extend this program for 5 years with amendments to define more clearly the appropriate role of the Federal Government in aiding such local school districts. Included in such amendments will be provision for a gradual decrease in payments on behalf of children whose parents reside on privately owned property while employed on Federal property. A supplemental appropriation of $110 million is anticipated for 1959.

ASSISTANCE FOR SCHOOL CONSTRUCTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Assistance for school construction in federally affected areas (total obligations)			$20,500,000
Financing:			
Proposed supplemental appropriation			20,500,000

Under proposed legislation, 1959.—Public Law 815, 81st Congress, which authorizes construction aid for school districts in federally affected areas, expires June 30, 1959. Legislation will be proposed to extend this program to June 30, 1963, with amendments which will restrict Federal aid essentially to assistance on behalf of children of persons who live and work on Federal property. A supplemental appropriation of $20.5 million is anticipated for 1959.

PROMOTION OF SCIENCE AND GENERAL EDUCATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Assistance to States and educational institutions (total obligations)			$145,500,000
Financing:			
Proposed supplemental appropriation			145,500,000

Under proposed legislation, 1959.—Legislation will be proposed to help strengthen the capacity of our educational system to meet critical national needs. The proposal will include assistance to States or educational institutions for the following purposes: (1) Encouragement of able students through early identification of aptitudes, improvement and expansion of counseling and guidance services, and scholarships for those needing assistance to continue their education, (2) strengthening of science and mathematics instruction in public secondary schools, (3) expansion of graduate education, including fellowships, (4) improvement of modern foreign language teaching, and (5) improvement of educational statistics. A supplemental appropriation of $145.5 million is anticipated for 1959.

OFFICE OF VOCATIONAL REHABILITATION

Current authorizations:

GRANTS TO STATES AND OTHER AGENCIES

[Grants to States and other agencies:] For grants to States and other agencies in accordance with the Vocational Rehabilitation Act, as amended, [$45,100,000] *$50,600,000,* of which [$40,000,000] *$45,500,000* is for vocational rehabilitation services under section 2 of said Act; $1,500,000 is for extension and improvement projects under section 3 of said Act; and $3,600,000 is for special projects under section 4 of said Act: *Provided,* That allotments under section 2 of said Act to the States for the current fiscal year shall be made on the basis of $53,000,000, and this amount shall be considered the sum available for allotments under such section for such fiscal year.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, grants to States under sections 2 and 3 of the Vocational Rehabilitation Act, as amended, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: *Provided,* That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year. *(29 U. S. C. 31–42; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$45,100,000** Estimate 1959, **$50,600,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Vocational rehabilitation services	$34,847,954	$40,000,000	$45,500,000
2. Extension and improvement projects	1,206,356	1,500,000	1,500,000
3. Research grants and demonstrations:			
Expansion projects	997,440		
Unique special projects	1,999,046	3,600,000	3,600,000
Total obligations	39,050,796	45,100,000	50,600,000
Financing:			
Unobligated balance no longer available	449,204		
Appropriation (new obligational authority)	39,500,000	45,100,000	50,600,000

1. *Vocational rehabilitation services.*—Federal matching grants are made to States for providing rehabilitation

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OFFICE OF VOCATIONAL REHABILITATION—Con.

Current authorizations—Continued

GRANTS TO STATES AND OTHER AGENCIES—Continued

services to handicapped individuals so they may engage in remunerative employment. These services include medical restoration as well as education and training. The requisite State matching varies with per capita income and averages about 38% of the total program.

SIGNIFICANT PROGRAM DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Grants to States	$36,054,310	[1] $41,500,000	$47,000,000
State matching funds	21,629,551	25,800,000	28,400,000
Number of clients	238,592	265,000	294,000
Number of completed rehabilitations	70,940	80,000	85,000

[1] A proposed supplemental of $1,400,000 is anticipated to provide additional matching funds for grants for basic rehabilitation services.

2. *Extension and improvement projects.*—Under this activity, funds are provided for grants on a matching basis more favorable to the States to encourage the extension of State programs in providing new services.

3. *Research grants and demonstrations.*—This program supports projects which hold promise of making a contribution to the solution of vocational rehabilitation problems common to all or several States. These funds are made available to public and private nonprofit organizations to cover part of the cost of these projects. Selected demonstration projects provide application of research findings and accelerate services to selected groups of severely disabled persons.

The 1959 request comprises: $3,100,000 for continuation of research and demonstration projects; and $500,000 for new projects.

Classification by Objects

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$39,050,796	$45,100,000	$50,600,000

TRAINING AND TRAINEESHIPS

[Training and traineeships:] For training and traineeships pursuant to section 4 of the Vocational Rehabilitation Act, as amended, and for carrying out the training functions provided for in section 7 of said Act, [$4,400,000] *$4,800,000. (29 U. S. C. 34, 37; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$4,400,000** Estimate 1959, **$4,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Teaching grants	$1,385,423	$2,200,700	$2,442,000
2. Traineeships	1,552,653	2,199,300	2,358,000
Total obligations	2,938,076	4,400,000	4,800,000
Financing:			
Unobligated balance no longer available	11,924		
Appropriation (new obligational authority)	2,950,000	4,400,000	4,800,000

Grants are made to educational institutions for training of personnel in professional and technical fields relating to vocational rehabilitation, both to strengthen their teaching programs and provide stipends for individual trainees. In addition, research fellowships are awarded to individuals for specific projects.

	1957 actual		*1958 estimate*		*1959 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Teaching grants	185	$1,385,423	195	$2,200,700	194	$2,442,000
University contracts included	-----	(188,413)	-----	(85,000)	-----	(100,000)
Traineeships	2,701	1,540,803	2,296	2,099,300	2,294	2,258,000
Research fellowships	2	11,850	20	100,000	20	100,000
Total	-----	2,938,076	-----	4,400,000	-----	4,800,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$17,435	$25,000	$25,000
07 Other contractual services	188,413	85,000	100,000
11 Grants, subsidies, and contributions	2,732,228	4,290,000	4,675,000
Total obligations	2,938,076	4,400,000	4,800,000

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary in carrying out the provisions of the Vocational Rehabilitation Act, as amended, and of the Act approved June 20, 1936 (20 U. S. C., ch. 6A), as amended, [$1,330,000] *$1,400,000. (29 U. S. C. 31–42; 49 Stat. 1559; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$1,330,000** Estimate 1959, **$1,400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. State plans, grants, and program evaluation	$542,646	$668,863	$727,406
2. Specialized services to States	309,581	300,629	317,712
3. Research grants and demonstrations	35,535	67,434	70,978
4. Training and traineeships	57,682	72,379	72,612
5. Administration	205,679	210,695	211,292
Total obligations	1,151,123	1,320,000	1,400,000
Financing:			
Unobligated balance no longer available	8,877	10,000	
Appropriation (new obligational authority)	1,160,000	1,330,000	1,400,000

This Office administers the program of grants for vocational rehabilitation, the vocational rehabilitation training program, and the program of licensing the blind to operate vending stands on Federal and other properties.

1. *State plans, grants, and program evaluation.*—Supervision is exercised over State administration of grants financed by the appropriation "Grants to States and other agencies." State plans are approved, allotments and grants made; field relationships with States are coordinated; program accomplishments are evaluated; rehabilitation studies and a program of research and statistics are conducted; publications are prepared; assistance is given to States in interpreting their programs to the public; and old-age and survivors insurance referrals are coordinated.

2. *Specialized services to States.*—Standards pertaining to technical aspects of rehabilitation, medical services and facilities and special services to the blind are developed; and technical advisory services, including organization and management, are provided.

3. *Research grants and demonstrations.*—Grants to States and other agencies for projects to develop new rehabilitation methods are administered under this activity and financed under "Grants to States and other agencies."

4. *Training and traineeships.*—Grants for training and traineeships to provide additional specialized personnel to work in rehabilitation are administered under this activity and financed under "Training and traineeships."

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	150	157	160
Full-time equivalent of all other positions	1	1	1
Average number of all employees	132	149	154
Number of employees at end of year	159	157	160
Average GS grade and salary	8.5 $6,421	8.8 $6,556	8.8 $6,628
01 Personal services:			
Permanent positions	$863,214	$979,431	$1,023,522
Positions other than permanent	8,808	10,000	10,000
Other personal services	54,715	70,132	91,200
Total personal services	926,737	1,059,563	1,124,722
02 Travel	86,823	90,000	90,000
03 Transportation of things	1,724	1,500	1,500
04 Communication services	21,249	24,255	25,400
05 Rents and utility services	705	1,500	1,500
06 Printing and reproduction	31,872	26,000	29,600
07 Other contractual services	9,344	9,510	9,600
Services performed by other agencies	32,318	25,660	25,900
08 Supplies and materials	13,679	10,700	11,000
09 Equipment	25,444	10,110	10,600
11 Grants, subsidies, and allowances		60,000	68,408
13 Refunds, awards, and indemnities	225	150	150
15 Taxes and assessments	1,003	1,052	1,620
Total obligations	1,151,123	1,320,000	1,400,000

Proposed for later transmission:

GRANTS TO STATES AND OTHER AGENCIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Vocational rehabilitation services (total obligations)		$1,400,000	
Financing:			
Proposed supplemental appropriation		1,400,000	

Under existing legislation, 1958.—A supplemental request of $1,400,000 is anticipated to provide additional Federal matching funds for grants for basic rehabilitation services. Allotments to States presumed the availability of more State matching funds than were anticipated in the 1958 appropriation.

PUBLIC HEALTH SERVICE

The Service attends to the Federal interest in safeguarding public health by: providing grants-in-aid and technical and consultative services to States for such public health services as the prevention and control of disease, and hospital planning and construction; conducting scientific research and investigations in biology and medicine; enforcing foreign and interstate quarantine regulations; collecting and disseminating information on health problems; and providing medical and hospital care. To perform these major functions the Service is organized as follows: The National Institutes of Health in the research and investigations area; the Bureau of State Services in the Federal-State cooperative health program area; the Bureau of Medical Services in the medical care, hospital, and foreign quarantine area; the National Library of Medicine for the collection, compilation, dissemination, and analysis of medical literature; and the Office of the Surgeon General in the area of administration, formulation of general policy, and planning.

Current authorizations:

For necessary expenses in carrying out the Public Health Service Act, as amended (42 U. S. C., ch. 6A) (hereinafter referred to as the Act), and other Acts, including expenses for active commissioned officers in the Reserve Corps and for not to exceed one thousand six hundred commissioned officers in the Regular Corps; and except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236–244), for expenses of primary and secondary schooling of dependents of Public Health Service personnel stationed in foreign countries, in amounts not to exceed an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section [207 (e)] *207 (f)* or section [207 (f)] *207 (g)* of the Act at rates established by the Surgeon General not to exceed $15,000 per annum; as follows: (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

ASSISTANCE TO STATES, GENERAL

[Assistance to States, general:] To carry out the purposes not otherwise specifically provided for, of section 314 (c) of the Act; to provide consultative services to States pursuant to section 311 of the Act; to make field investigations and demonstrations pursuant to section 301 of the Act; to provide for collecting and compiling mortality, morbidity, and vital statistics; to provide traineeships pursuant to section 306 of the Act; and not to exceed $1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General; [$22,592,000] *$22,889,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1958; Federal Civil Defense Act of 1950, as amended.*)

Appropriated 1958, **$22,592,000** Estimate 1959, **$22,889,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) To States for general health	$11,962,098	$15,000,000	$15,000,000
(b) For public health training	986,432	2,000,000	2,000,000
Total, grants	12,948,530	17,000,000	17,000,000
2. Direct operations:			
(a) Technical assistance to States	1,653,317	1,769,400	2,084,400
(b) Vital statistics	1,395,339	1,513,400	1,513,400
(c) International health activities	132,602	137,000	137,000
(d) Special health services:			
(1) Health of the aged and chronic disease	541,117	1,017,700	1,091,700
(2) Occupational health	653,298	675,500	675,500
(3) Accident prevention	49,101	351,000	279,000
(e) Administration	103,122	108,000	108,000
Total, direct operations	4,527,896	5,572,000	5,889,000
Total obligations	17,476,426	22,572,000	22,889,000
Financing:			
Comparative transfers from (−) other accounts	−49,101		
Unobligated balance no longer available	163,675	20,000	
Appropriation (new obligational authority)	17,591,000	22,592,000	22,889,000

1. *Grants*—(*a*) *To States for general health.*—Grants are made to assist the States in supporting basic State and local health services, such as public health nursing, laboratory services, vital statistics, sanitary engineering, and control of communicable diseases. The 1959 estimate will also assist the States in (1) developing health services for the aged, occupational health, accident prevention and diabetes control; (2) encouraging application of new research discoveries; and (3) training public health personnel. The 1958 grant level is proposed to be maintained in 1959.

(*b*) *For public health training.*—Grants and awards are made to increase the number of professional public health personnel with at least 1 year of graduate or specialized training in public health and to assist in overcoming the acute shortage of trained public health personnel. Approximately 500 man-years of training will be provided in 1958 and 1959.

2. *Direct operations*—(*a*) *Technical assistance to States.*—Assistance is rendered to State public health activities including civil defense through technical and professional consultative services, dissemination of the results of special studies of public health practices, and the conduct of training programs.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ASSISTANCE TO STATES, GENERAL—Continued

(*b*) *Vital statistics.*—Vital statistics data are collected, analyzed, and disseminated on births, deaths, stillbirths, illnesses, marriages, and divorces.

(*c*) *International health activities.*—International health responsibilities are to (1) develop the United States position on international health matters, and provide representation at international health meetings; (2) serve as a clearinghouse for information on health conditions and needs in other countries; and (3) administer training programs for foreign health personnel in the United States.

(*d*) *Special health services*—(1) *Health of the aged and chronic disease.*—Studies to develop and improve methods for the identification and prevention of chronic illness, for the care and restoration of the chronically ill and aged, and for meeting special health problems of the aged population will be continued. Assistance is given health departments in the application of improved techniques through technical assistance, demonstrations, and training.

(2) *Occupational health.*—Research on occupational disabilities is conducted and assistance is provided to Federal, State, and local agencies and industry in preventing and controlling occupational hazards and diseases and in developing privately financed employee health services.

(3) *Accident prevention.*—A program of research to determine the extent and cause of accidents, and to develop techniques for their prevention will be continued and, through technical assistance, agencies ultimately responsible for accident prevention will be encouraged to adopt proven safety techniques.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	612	682	729
Full-time equivalent of all other positions	9	23	26
Average number of all employees	543	645	695
Number of employees at end of year	612	761	760
Average GS grade and salary	6.5 $5,067	6.8 $5,178	6.8 $5,186
01 Personal services:			
Permanent positions	$3,264,778	$3,881,570	$4,170,120
Positions other than permanent	36,327	112,520	129,020
Other personal services	19,589	26,210	26,760
Total personal services	3,320,694	4,020,300	4,325,900
02 Travel	308,871	346,300	373,800
03 Transportation of things	27,425	30,100	37,500
04 Communication services	171,804	143,100	145,700
05 Rents and utility services	98,848	125,000	126,000
06 Printing and reproduction	78,767	95,900	90,900
07 Other contractual services	125,227	322,700	272,300
Services performed by other agencies	13,093	24,900	24,900
Purchase of vital records transcripts	165,000	150,000	150,000
08 Supplies and materials	85,264	81,400	89,500
09 Equipment	119,147	46,700	46,000
11 Grants, subsidies, and contributions	12,948,530	17,168,000	17,187,500
13 Refunds, awards, and indemnities	2,470	200	200
15 Taxes and assessments	11,286	17,400	18,800
Total obligations	17,476,426	22,572,000	22,889,000

GRANTS AND SPECIAL STUDIES, TERRITORY OF ALASKA

[Grants and special studies, Territory of Alaska:] To enable the Surgeon General to conduct, in the Service, and to cooperate with and assist the Territory of Alaska in the conduct of, activities necessary in the investigation, prevention, treatment, and control of diseases, and the establishment and maintenance of health and sanitation services pursuant to and for the purposes specified in sections 301, 311, 314 (without regard to the provisions of subsections (d), (f), (h), and (j) and the limitations set forth in subsection (c) of such section), 361, 363, and 371 of the Act, including the hire, operation, and maintenance of aircraft, and the purchase, erection, and maintenance of portable buildings, $2,165,000. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$2,165,000** Estimate 1959, **$2,165,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Special grants for:			
(*a*) General health	$638,000	$638,000	$638,000
(*b*) Mental health		1,000,000	1,000,000
Total grants	638,000	1,638,000	1,638,000
2. Direct operations:			
(*a*) Technical assistance	80,329	60,100	60,100
(*b*) Field and laboratory investigations	396,225	411,700	411,700
(*c*) Administration	52,624	55,200	55,200
Total direct operations	529,178	527,000	527,000
Total obligations	1,167,178	2,165,000	2,165,000
Financing:			
Unobligated balance no longer available	2,822		
Appropriation (new obligational authority)	1,170,000	2,165,000	2,165,000

These activities supplement public health services in Alaska to meet the needs of an expanding population, and settlement of new areas. These activities include special studies of disease and sanitation problems of Alaska, many of which differ from those in continental United States.

1. *Special grants for*—(*a*) *General health.*—This grant supplements Territorial, local, and other funds available to the Alaska Department of Health.

(*b*) *Mental health.*—This grant is to assist the Territory in paying for the cost of treatment and care of the Alaska mentally ill.

2. *Direct operations*—(*a*) *Technical assistance.*—The Public Health Service assists Alaska through loan of personnel, procurement of supplies, and provision of other services relating to control of venereal diseases and tuberculosis and to sanitation and other general health problems.

(*b*) *Field and laboratory investigations.*—The Service operates the Arctic Health Research Center in Alaska and conducts studies of environmental sanitation, epidemiology, entomology, animalborne diseases transmissible to man, biochemistry and nutrition, and physiology.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	62	59	59
Full-time equivalent of all other positions	1	1	1
Average number of all employees	55	56	56
Number of employees at end of year	61	58	58
Average GS grade and salary	6.5 $4,850	6.6 $4,954	6.6 $4,954
01 Personal services:			
Permanent positions	$318,838	$322,785	$322,285
Positions other than permanent	6,142	3,025	3,025
Other personal services	52,682	51,990	51,990
Total personal services	377,662	377,800	377,300
02 Travel	35,611	33,700	33,700
03 Transportation of things	10,724	9,500	9,500
04 Communication services	2,493	2,500	2,500
05 Rents and utility services	39,335	40,000	40,000
06 Printing and reproduction	1,991	2,000	2,000
07 Other contractual services	7,179	4,600	4,600
08 Supplies and materials	38,594	36,000	36,000
09 Equipment	12,923	6,000	6,000
11 Grants, subsidies, and contributions	638,000	1,651,000	1,651,500
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	2,516	1,900	1,900
Total obligations	1,167,178	2,165,000	2,165,000

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Construction, Mental Health Facilities, Territory of Alaska

For payments for construction of hospital and other facilities pursuant to section 372 of the Public Health Service Act, as amended (42 U. S. C. 274), $6,500,000, to remain available until expended.

Estimate 1959, **$6,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)			$6,500,000
Financing:			
Appropriation (new obligational authority)			6,500,000

Public Law 830, approved July 28, 1956, provides for the progressive transfer of responsibility for the mentally ill of Alaska from the Federal Government to the Territory of Alaska over a 10-year period ending June 30, 1967. As an integral part of this transfer, an appropriation of $6,500,000 was authorized for the construction of hospital facilities for the mentally ill in Alaska where there are now no facilities, thus eliminating the necessity of transporting mentally ill persons to the United States to be cared for.

The 1959 appropriation of $6,500,000 will enable the Territory to construct a central hospital of about 225 beds in Anchorage and smaller acute treatment units of 30 and 20 beds each in Fairbanks and Juneau. In addition, if possible within the appropriation, the Territory will construct one- or two-bed brief-care units in general hospitals in strategic areas, and facilities for the administration of preventive and outpatient services.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions			$6,500,000

Control of Venereal Diseases

[Venereal diseases:] To carry out the purposes of sections 314 (a) and 363 of the Act with respect to venereal diseases [including the operation and maintenance of centers for the diagnosis and treatment of persons afflicted with venereal diseases;] and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the Act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for [the foregoing purposes] *venereal disease control activities*, in such amounts and upon such terms and conditions as the Surgeon General may determine; [$4,415,000] *$4,400,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$4,415,000** Estimate 1959, **$4,400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants to States for venereal disease control	$1,669,110	$1,700,000	$1,700,000
2. Direct operations:			
(*a*) Clinical and laboratory research	568,468	693,500	678,500
(*b*) Technical assistance to States	1,719,692	1,808,100	1,808,100
(*c*) Administration	196,094	213,400	213,400
Total, direct operations	2,484,254	2,715,000	2,700,000
Total obligations	4,153,364	4,415,000	4,400,000
Financing:			
Unobligated balance no longer available	41,636		
Appropriation (new obligational authority)	4,195,000	4,415,000	4,400,000

During 1957 over 350,000 cases of major venereal diseases were reported. The syphilis caseload increased, for the second consecutive year, by over 9,000 for a total of more than 135,000 cases while gonorrhea declined almost 17,000 to 216,500 cases.

1. *Grants to States for venereal disease control.*—Case-finding projects are supported in selected areas where venereal disease incidence and prevalence still remain high.

2. *Direct operations—(a) Clinical and laboratory research.*—Research is directed toward maintenance of uniformly satisfactory nationwide serologic services; development and introduction of new syphilis diagnostic tests; development of an immunizing agent for syphilis; improvement of diagnostic techniques for gonorrhea; evaluation of more effective methods of therapy; and the improvement of control procedures.

(*b*) *Technical assistance to States.*—Epidemiologic services are directed toward the maintenance of nationwide and international intelligence and control of venereal disease in areas of particular concentrations of agricultural, industrial, and military personnel and in numerous small high-prevalence areas that might become the foci for spread of infection. Consultation is furnished to States through the regional offices in determining problem areas, infection sources, and control techniques required. Scientific information and educational media are disseminated through State agencies.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		370	377	377
Full-time equivalent of all other positions		91	92	92
Average number of all employees		426	439	439
Number of employees at end of year		450	460	460
Average GS grade and salary		7.9 $5,468	8.1 $5,635	8.1 $5,635
Average salary of ungraded positions		$3,579	$3,649	$3,649
01	Personal services:			
	Permanent positions	$1,989,073	$2,162,800	$2,162,800
	Positions other than permanent	443,397	443,000	443,000
	Other personal services	4,632	11,800	11,800
	Total personal services	2,437,102	2,617,600	2,617,600
02	Travel	162,478	122,900	122,900
03	Transportation of things	62,107	38,500	38,500
04	Communication services	33,707	22,000	22,000
05	Rents and utility services	9,162	11,000	11,000
06	Printing and reproduction	11,549	17,000	17,000
07	Other contractual services	27,215	36,700	36,700
	Services performed by other agencies	8,373		
	Research contracts	20,000	35,000	35,000
08	Supplies and materials	132,997	112,600	108,500
09	Equipment	33,154	36,500	21,500
11	Grants, subsidies, and contributions	1,199,718	1,342,200	1,346,300
15	Taxes and assessments	15,802	23,000	23,000
	Total obligations	4,153,364	4,415,000	4,400,000

Control of Tuberculosis

[Tuberculosis:] To carry out the purposes of section 314 (b) of the Act, [$7,000,000] *$5,386,000*, of which not less than [$4,500,000] *$3,000,000* shall be available only for grants to States, to be matched by an equal amount of State and local funds expended for the same purpose, for direct expenses of prevention and case-finding projects including salaries, fees, and travel of personnel directly engaged in prevention and case-finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoria. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$7,000,000** Estimate 1959, **$5,386,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants to States for tuberculosis control	$4,485,949	$4,500,000	$3,000,000

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONTROL OF TUBERCULOSIS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Direct operations:			
(a) Cooperative applied research	$1,446,831	$1,786,100	$1,736,000
(b) Technical assistance to States	495,857	555,400	500,000
(c) Administration	146,859	158,500	150,000
Total, direct operations	2,089,547	2,500,000	2,386,000
Total obligations	6,575,496	7,000,000	5,386,000
Financing:			
Unobligated balance no longer available	84,504		
Appropriation (new obligational authority)	6,660,000	7,000,000	5,386,000

1. *Grants to States for tuberculosis control.*—Grants are made to assist the States in planning and administering specific control measures, including casefinding, case followup, training of professional workers, and clinical operations. The 1959 reduction reflects the progress made in controlling tuberculosis.

2. *Direct operations*—(*a*) *Cooperative applied research.*—In cooperation with State and local health departments, medical schools, private investigators, and others, studies are conducted in the epidemiology, prevention, detection, diagnosis, and therapy of tuberculosis.

(*b*) *Technical assistance to States.*—Assistance is provided through demonstrations, consultative services, operational studies, and training activities in casefinding, case management, and other tuberculosis control practices.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	233	233	227
Full-time equivalent of all other positions	21	20	20
Average number of all employees	211	237	232
Number of employees at end of year	264	270	264
Average GS grade and salary	6.2 $4,892	6.4 $5,041	6.3 $4,994
01 Personal services:			
Permanent positions	$1,093,251	$1,264,800	$1,222,900
Positions other than permanent	102,625	102,600	101,100
Other personal services	11,620	7,600	7,500
Total personal services	1,207,496	1,375,000	1,331,500
02 Travel	135,932	173,800	167,800
03 Transportation of things	22,318	26,000	26,000
04 Communication services	9,939	12,000	12,000
05 Rents and utility services	12,103	11,000	11,000
06 Printing and reproduction	9,673	11,000	11,000
07 Other contractual services	359,729	376,300	318,800
08 Supplies and materials	270,194	405,000	400,500
09 Equipment	57,118	45,200	42,900
11 Grants, subsidies, and contributions	4,485,949	4,558,900	3,058,900
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	4,895	5,800	5,600
Total obligations	6,575,496	7,000,000	5,386,000

COMMUNICABLE DISEASE ACTIVITIES

[Communicable diseases:] To carry out, except as otherwise provided for, those provisions of sections 301, 311, and 361 of the Act relating to the prevention and suppression of communicable and preventable diseases, and the interstate transmission and spread thereof, including the purchase, erection, and maintenance of portable buildings; *purchase of not to exceed nine passenger motor vehicles for replacement only;* and hire, maintenance, and operation of aircraft; [$6,250,000] *$6,200,000.*

[Communicable diseases: For an additional amount for "Communicable diseases", for emergency measures necessary for the further prevention and control of a threatened or actual epidemic of influenza, $800,000: *Provided,* That $2,000,000 may be transferred from funds appropriated for disaster relief pursuant to the Act of September 30, 1950, chapter 1125, section 8 (64 Stat. 1109), for the purposes specified in this paragraph, including the purchase, without regard to section 3709 of the Revised Statutes, and distribution of supplies and materials for prevention and control and grants to States of money and medical supplies and materials, upon a finding by the Secretary of Health, Education, and Welfare, upon the recommendation of the Surgeon General and the National Advisory Health Council, that a threatened or actual epidemic of influenza constitutes an actual or potential health emergency of national significance.] (*Department of Health, Education, and Welfare Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$7,050,000** Estimate 1959, [a] **$6,200,000**

[a] Excludes $40,000 for activities transferred in the estimates to "Hospitals and medical care."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General disease prevention and control	$2,788,775	$3,250,000	$3,200,000
2. Specific disease prevention and control	2,433,632	3,285,000	2,485,000
3. General epidemic and disaster aid	38,995	40,000	40,000
4. Administration	479,868	475,000	475,000
Total obligations	5,741,270	7,050,000	6,200,000
Financing:			
Unobligated balance no longer available	8,730		
Appropriation (new obligational authority)	5,750,000	7,050,000	6,200,000

1. *General disease prevention and control.*—Scientific and technical services in the fields of epidemiology, medicine, and biology, including reference diagnostic laboratory services, are made available to State and local health departments by investigations, consultation, and demonstrations. Public health workers are trained in laboratory and other public health techniques, and training materials are produced for use by the States and other agencies.

2. *Specific disease prevention and control.*—These programs assist in the prevention and suppression of certain important communicable diseases including poliomyelitis, encephalitis, hepatitis, acute respiratory, viral, diarrheal, and animalborne and rodentborne diseases. The higher dollar level in 1958 represents the supplemental appropriation made available to combat anticipated outbreaks of the Asian strain of influenza in the fall and winter of 1957–58.

3. *General epidemic and disaster aid.*—This is utilized to prevent and control outbreaks of disease in disaster areas, and to provide disease control assistance during epidemics, upon request of State health officers. During 1957 aid was provided in 30 emergencies in 19 States.

The following table shows selected measurable workload items:

Workload item	*1957 actual*	*1958 estimate*	*1959 estimate*
Laboratory specimens processed	51,393	56,000	52,000
Training program:			
Trainees	1,099	1,100	1,100
Courses	61	61	61
Audio-visual aids:			
Films loaned or sold	10,830	11,700	12,500
New productions completed	41	52	64

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	816	872	866
Full-time equivalent of all other positions	4	49	6
Average number of all employees	743	843	794
Number of employees at end of year	762	834	830
Average GS grade and salary	5.6 $4,536	5.8 $4,663	5.8 $4,665
Average salary of ungraded positions	$3,655	$3,564	$3,564
01 Personal services:			
Permanent positions	$4,045,960	$4,411,000	$4,377,100
Positions other than permanent	30,024	274,200	29,500
Other personal services	32,020	38,000	38,000
Total personal services	4,108,004	4,723,200	4,444,600

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$276,812	$307,300	$268,800
03 Transportation of things	64,143	74,000	65,500
04 Communication services	84,891	106,500	90,000
05 Rents and utility services	94,972	101,100	97,100
06 Printing and reproduction	27,117	79,300	28,300
07 Other contractual services	81,296	82,600	73,000
Services performed by other agencies	27,229	25,100	25,100
Research contracts	430,250	593,900	341,900
08 Supplies and materials	394,632	423,300	371,900
09 Equipment	128,314	268,000	132,500
11 Grants, subsidies, and contributions		192,900	192,500
13 Refunds, awards, and indemnities	4,851	4,300	4,300
15 Taxes and assessments	18,759	28,500	24,500
Unclassified (general epidemic and disaster aid)		40,000	40,000
Total obligations	5,741,270	7,050,000	6,200,000

Sanitary Engineering Activities

[Sanitary engineering activities:] For expenses, not otherwise provided, necessary to carry out those provisions of sections 301, 311, 314 (c), and 361 of the Act relating to sanitation and other aspects of environmental health, including enforcement of applicable quarantine laws and interstate quarantine regulations, and for carrying out the purposes of the Acts of July 14, 1955 [(Public Law 159)] (*42 U. S. C. 1857–1857f*), and July 9, 1956 [(Public Law 660)] (*33 U. S. C. 466–466d, 466f–466k*), including $2,700,000 for grants to States and $300,000 for grants to interstate agencies; *purchase of not to exceed nine passenger motor vehicles for replacement only;* and the hire, maintenance, and operation of aircraft; [$12,640,000] *$12,815,000*, to remain available only until June 30, [1958] *1959*. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$12,640,000** Estimate 1959, **$12,815,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Air pollution	$2,718,837	$3,995,000	$3,860,000
2. Water supply and water pollution control	4,072,415	6,491,000	6,600,000
3. Radiological health	334,695	393,000	608,000
4. Milk and food sanitation	440,452	490,000	492,000
5. Interstate carrier and general sanitation	490,722	510,000	510,000
6. Sanitary engineering center research services	402,384	440,000	440,000
7. Administration	292,025	305,000	305,000
Total obligations	8,751,530	12,624,000	12,815,000
Financing:			
Comparative transfers to other accounts	49,101		
Unobligated balance no longer available	199,369	16,000	
Appropriation (new obligational authority)	9,000,000	12,640,000	12,815,000

This program is concerned with the identification of public health problems related to our environment and the development of preventive and control measures in supporting sanitary engineering activities of States and localities.

1. *Air pollution.*—This provides for research and technical assistance to study the effect of air pollution on man's health, and to develop effective methods of control. Public Health Service facilities as well as those of other public and private institutions and individuals through contracts and grants are utilized in carrying out the program. Technical assistance is provided State and local agencies upon request.

2. *Water supply and water pollution control.*—Public and private agencies are assisted in safeguarding public water supplies and protecting the quality of water resources. This is accomplished through grants to States and interstate agencies, collection of basic data, research, demonstrations and technical assistance in water pollution and water supply problems. In addition, training and consultative services are provided personnel from public agencies, and from industries. This activity also provides for enforcement against pollution of interstate waters, the development of plans for water supply and water pollution control on an interagency river basin basis, and for the administration of grants for the construction of waste treatment facilities.

3. *Radiological health.*—This includes the development of public health techniques for controlling radiation hazards, training of State and local personnel, and the collection, analysis, and dissemination of information. The increase proposed for 1959 is to prepare for the growing radiological health problem posed by the increasing use of atomic energy.

4. *Milk and food sanitation.*—This provides for research and technical assistance to States in milk and foodborne disease control. Research is carried on to insure that new methods of milk and food processing and distribution will not be hazardous to the public health. Technical services are provided State and local agencies and industry through the certification of interstate milk and shellfish shippers, development and demonstration of methods, evaluation of laboratory techniques, and the presentation of research results.

5. *Interstate carrier and general sanitation.*—This implements the direct Federal responsibility for protecting the health of passengers aboard interstate carriers. It also provides for technical assistance to States on basic sanitation problems, including rural sanitation.

6. *Sanitary engineering center research services.*—This provides the supporting services and specialized technical skills required in common for the various research programs, as well as the maintenance and operating costs of the center.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	768	931	956
Full-time equivalent of all other positions	16	30	30
Average number of all employees	658	898	935
Number of employees at end of year	803	977	938
Average GS grade and salary	6.8 $5,269	7.2 $5,356	7.1 $5,341
01 Personal services:			
Permanent positions	$3,808,653	$5,226,250	$5,494,780
Positions other than permanent	93,316	180,730	181,320
Other personal services	4,025	16,920	17,200
Total personal services	3,905,994	5,423,900	5,693,300
02 Travel	429,584	469,400	484,400
03 Transportation of things	80,089	92,100	97,100
04 Communication services	66,910	78,400	79,400
05 Rents and utility services	73,087	81,500	81,500
06 Printing and reproduction	70,208	90,600	91,600
07 Other contractual services	217,870	173,000	177,000
Services performed by other agencies	414,788	687,450	687,450
Research contracts	235,441	642,000	642,000
08 Supplies and materials	227,654	238,000	240,100
09 Equipment	390,750	247,950	285,250
11 Grants, subsidies, and contributions	2,618,074	4,372,900	4,228,300
13 Refunds, awards, and indemnities	2,525	3,400	3,700
15 Taxes and assessments	18,556	23,400	23,900
Total obligations	8,751,530	12,624,000	12,815,000

Grants for Waste Treatment Works Construction

[Grants for waste treatment works construction:] For payments under section 6 of the Water Pollution Control Act, as amended [(70 Stat. 502)] (*33 U. S. C. 466e*), $45,000,000, [which together with the amount appropriated under this head in the Second Supplemental Appropriation Act, 1957 (70 Stat. 769) shall be applied to payment on account of allotments made for the current and preceding fiscal years pursuant to said Act, such sums] to remain available only until June 30, [1959] *1960*: *Provided*, That allotments under such section 6 for the current fiscal year shall be made on the basis of $50,000,000. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$45,000,000** Estimate 1959, **$45,000,000**

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

GRANTS FOR WASTE TREATMENT WORKS CONSTRUCTION—Con.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants for construction (total obligations)	$37,621,092	$57,378,908	$45,000,000
Financing:			
Unobligated balance brought forward		−12,378,908	
Unobligated balance carried forward	12,378,908		
Appropriation (new obligational authority)	50,000,000	45,000,000	45,000,000

Grants are made to States, municipalities, and interstate agencies to stimulate and assist in the construction of sewage-treatment works.

Funds appropriated for such grants are allocated to States and Territories on the basis of population and economic need. Within these allocations, grants for the specific projects may not exceed 30% of the cost of a project or $250,000, whichever is smaller, with at least 50% of the funds appropriated reserved for communities of 125,000 population or less.

Approval and priority of construction projects are established by the State agency on the basis of financial and water pollution control needs. Projects must be included in a comprehensive program developed for water pollution control and be in conformity with the State water pollution control plan.

In approving projects, the Surgeon General must consider the propriety of Federal aid in accordance with criteria approved by the President, the public benefits to be derived by the construction, the relation of the cost of the project to the public necessity, and the adequacy of provision by the applicant for proper operation and maintenance of the treatment works after completion of the construction.

While this budget recommends continuation of this program at the 1958 level, it is expected that by the end of 1959 the Federal Government and the States will have had an opportunity to act on the recommendation of the Joint Federal-State Action Committee that the States assume this function entirely. Therefore, it is anticipated that no funds will be included in the 1960 budget for this purpose, should this recommendation be accepted as practicable by the Congress.

WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Number of projects approved	446	675	530
Number under construction, end of year	141	475	635
Number of projects completed	4	150	500
Total cost of approved projects	$166,798,690	$275,000,000	$220,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$37,621,092	$57,378,908	$45,000,000

GRANTS FOR HOSPITAL CONSTRUCTION

[Grants for hospital construction:] For payments under parts C and G, title VI, of the Act, as amended, [$121,200,000] *$75,000,000*, of which [$99,000,000] *$52,800,000* shall be for payments for hospitals and related facilities pursuant to part C, $1,200,000 shall be for the purposes authorized in section 636 of the Act, and $21,000,000 shall be for payments for facilities pursuant to part G, as follows: $6,500,000 for diagnostic or treatment centers, $6,500,000 for hospitals for the chronically ill and impaired, $4,000,000 for rehabilitation facilities, and $4,000,000 for nursing homes: *Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$121,200,000** Estimate 1959, **$75,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction of hospitals, etc., under part C of the Public Health Service Act	$94,771,273	$105,861,420	$85,470,000
2. Construction of medical facilities under part G of the Act:			
(*a*) Hospitals for the chronically ill and impaired	6,905,861	5,373,649	6,825,000
(*b*) Diagnostic or treatment centers	5,396,052	6,551,945	6,825,000
(*c*) Rehabilitation facilities	4,107,584	3,730,710	4,200,000
(*d*) Nursing homes	4,852,109	5,515,213	4,200,000
3. Hospital and medical facilities research activities	1,182,352	1,200,000	1,200,000
Total obligations	117,215,231	128,232,937	108,720,000
Financing:			
Unobligated balance brought forward	−79,662,560	−86,082,937	−79,050,000
Recovery of prior year obligations	−120,375		
Unobligated balance carried forward	86,082,937	79,050,000	45,330,000
Unobligated balance rescinded (70 Stat. 688)	1,064,024		
Unobligated balance no longer available	420,743		
Appropriation (new obligational authority)	125,000,000	121,200,000	75,000,000

The Federal Government provides financial assistance to States and Territories, local governments, and nonprofit agencies to defray part of the costs of construction of hospitals, rehabilitation facilities, diagnostic or diagnostic and treatment centers, nursing homes, public health centers, and related health facilities. In addition, these funds permit the Surgeon General to conduct research, experiments, and demonstrations relating to the effective development and utilization of hospital services, facilities, and resources, or to make grants-in-aid to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions or organizations for such projects.

Funds for construction grants are authorized to be appropriated for each fiscal year through 1959 for allocation to the States and Territories on the basis of population and economic need. Federal participation varies from one-third to two-thirds. Payments are computed under each individual contract and made as construction proceeds.

As of June 30, 1957, a total of 3,514 construction projects had been approved, of which number 2,346 were completed and in operation, 953 under construction, and 215 in preconstruction stages. Upon completion these projects will provide 152,593 hospital beds and 888 public health and other medical facilities. Of the number of approved projects 66% were general hospitals, 3% mental hospitals, 2% tuberculosis hospitals, 3% chronic disease facilities, 17% public health centers, and 9% other related facilities.

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	1		11		11	
Average number of all employees			9		11	
Number of employees at end of year	2		11		11	
Average GS grade and salary	4.0	$3,415	8.6	$5,884	8.6	$5,884
01 Personal services:						
Permanent positions		$1,568		$65,160		$80,270
Positions other than permanent		855		2,700		2,700
Other personal services				160		160
Total personal services		2,423		68,020		83,130

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel	$642	$27,400	$21,600
03	Transportation of things	25	25	25
06	Printing and reproduction		1,000	1,000
07	Other contractual services	1,548	8,295	4,415
	Services performed by other agencies	80,852	3,000	
08	Supplies and materials	85	550	550
09	Equipment	2,522	4,000	550
11	Grants, subsidies, and contributions	117,127,113	128,120,302	108,608,350
15	Taxes and assessments	21	345	380
	Total obligations	117,215,231	128,232,937	108,720,000

Salaries and Expenses, Hospital Construction Services

[Salaries and expenses, hospital construction services:] For salaries and expenses incident to carrying out title VI of the Act, as amended, [$1,450,000] *$1,320,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1958; Federal Civil Defense Act of 1950, as amended.*)

Appropriated 1958, **$1,450,000** Estimate 1959, **$1,320,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operations and technical services	$1,238,553	$1,331,000	$1,209,500
2. Administration	98,406	119,000	110,500
Total obligations	1,336,959	1,450,000	1,320,000
Financing:			
Unobligated balance no longer available	44,041		
Appropriation (new obligational authority)	1,381,000	1,450,000	1,320,000

Operations and technical services.—States and communities are assisted in making inventories of their hospitals, public health centers, and other classes of facilities, in determining the types of additional facilities required and the need therefor, and in developing coordinated programs to meet the indicated needs. Proposed hospital and other health facilities projects are reviewed to determine eligibility and compliance with the law and regulations. State plans and their annual revisions are reviewed and approved. Project applications, plans and specifications, wage rates, contracts, and payment requests are reviewed for compliance with standards, and technical assistance is provided in programing, planning, architectural, engineering, and other aspects.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	172	172	157
	Full-time equivalent of all other positions	1	1	1
	Average number of all employees	168	168	152
	Number of employees at end of year	165	172	157
	Average GS grade and salary	8.4 $6,312	8.6 $6,480	8.6 $6,535
01	Personal services:			
	Permanent positions	$1,148,834	$1,200,261	$1,103,300
	Positions other than permanent	2,315	6,000	2,380
	Other personal services		3,739	3,520
	Total personal services	1,151,149	1,210,000	1,109,200
02	Travel	90,521	101,000	90,000
03	Transportation of things	6,950	3,800	3,800
04	Communication services	3,852	3,000	3,000
05	Rents and utility services	885		
06	Printing and reproduction	17,386	22,100	18,000
07	Other contractual services	39,898	20,800	18,000
08	Supplies and materials	8,302	10,400	8,000
09	Equipment	15,509	15,000	10,500
11	Grants, subsidies, and contributions		60,700	57,500
13	Refunds, awards, and indemnities	400		
15	Taxes and assessments	2,107	3,200	2,000
	Total obligations	1,336,959	1,450,000	1,320,000

Hospitals and Medical Care

[Hospitals and medical care:] For carrying out the functions of the Public Health Service under the Act of August 8, 1946 (5 U. S. C. 150), including [$1,186,000] *$1,866,000,* to be available only for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act [(70 Stat. 250–254)] (*37 U. S. C., chap. 7*), and under sections 307, 321, 322, 324, 326, 331, 332, 341, 343, 344, 502, 504, and 810 of the Public Health Service Act, Private Law 419 of the Eighty-third Congress, as amended, and Executive Order 9079 of February 26, 1942, including purchase and exchange of farm products and livestock; conducting research on technical nursing standards and furnishing consultative nursing services; *purchase of not to exceed eleven passenger motor vehicles for replacement only;* and purchase of firearms and ammunition; [$44,399,000] *$44,309,000,* of which $1,000,000 shall be [exclusively] available *only* for payments to the Territory of Hawaii for care and treatment of persons afflicted with leprosy: *Provided,* That when the Public Health Service establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made in advance for deposit to the credit of this appropriation.

[The limitation under this head contained in the Third Supplemental Appropriation Act, 1957, for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act is increased by such sum or sums as may be necessary for the purpose.] (*Department of Health, Education, and Welfare Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$44,399,000** Estimate 1959, [a] **$44,309,000**

[a] Includes $40,000 for activities previously carried under "Communicable disease activities."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Operation of hospitals	$29,695,476	$31,543,500	$31,408,000
2. Operation of outpatient clinics and offices	4,414,813	4,782,000	4,700,000
3. Operation of health units	10,300	16,000	16,000
4. Coast Guard medical services	1,070,950	1,256,000	1,167,000
5. Development and coordination of nursing resources	302,492	342,000	361,000
6. Nurse training grants	2,000,000	3,000,000	3,000,000
8. Dependents' medical care	579,973	1,186,000	1,866,000
9. Payments to Hawaii	1,000,000	1,000,000	1,000,000
10. Administration	659,351	786,000	791,000
Total direct obligations	39,733,355	43,911,500	44,309,000
Reimbursable obligations:			
1. Operation of hospitals	2,689,758	3,175,500	3,454,000
3. Operation of health units	357,347	475,000	487,000
7. Personnel detailed to other agencies	382,260	429,000	388,000
Total reimbursable obligations	3,429,365	4,079,500	4,329,000
Total obligations	43,162,720	47,991,000	48,638,000
Financing:			
Advances and reimbursements from—			
Other accounts	−2,549,030	−3,221,350	−3,431,400
Non-Federal sources (42 U. S. C. 221)	−880,335	−858,150	−897,600
Unobligated balance no longer available	461,645	487,500	
Appropriation (new obligational authority)	40,195,000	44,399,000	44,309,000

Sixteen hospitals and 124 outpatient facilities are operated to furnish medical and dental care to legal beneficiaries of the Service. The major beneficiary groups are American seamen, coastguardsmen and their dependents, Bureau of Employees' Compensation cases, persons afflicted with leprosy, and narcotic addicts. Medical care is also provided to foreign seamen and beneficiaries of other Federal agencies on a reimbursable basis.

1. *Operation of hospitals.*—This activity consists of 12 general hospitals, 1 tuberculosis hospital, 2 neuropsychiatric hospitals which specialize in the treatment of narcotic addiction, and the National Leprosarium at Carville, La. Inpatient loads and outpatient visits are expected to be as follows:

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

HOSPITALS AND MEDICAL CARE—Continued

AVERAGE DAILY PATIENT LOAD AND ANNUAL TOTAL OUTPATIENT VISITS

	1957 actual	*1958 estimate*	*1959 estimate*
Hospital patients:			
General hospitals	2,746	2,775	2,703
Tuberculosis hospital	308	305	305
Neuropsychiatric hospitals	1,967	1,990	1,990
Leprosarium	315	320	320
Total	5,336	5,390	5,318
Hospital outpatient visits	540,084	555,000	555,000

2. *Operation of outpatient clinics and offices.*—This activity consists of 25 full-time outpatient clinics and 99 outpatient offices, with 544,193 visits in 1957, and 565,000 estimated for 1958 and 1959. It also finances care of patients in contract hospitals.

3. *Operation of health units.*—The Service operates a health program for the Department of Health, Education, and Welfare and conducts programs for other Federal agencies on a reimbursable basis.

4. *Coast Guard medical services.*—Medical services are provided for Coast Guard personnel at shore stations and on vessels.

5. *Development and coordination of nursing resources.*—Methods are developed and applied to increase and improve nursing services and education throughout the country, and to better utilize nursing personnel skills; research is conducted on the fundamental problems of nursing, and research on nursing problems by independent investigators is stimulated.

6. *Nurse training grants.*—Grants are provided for 800 traineeships in 1959 to prepare nurses to be teachers, supervisors, and administrators.

7. *Personnel detailed to other agencies.*—Medical, dental, and other professional personnel are detailed to certain other Federal agencies on a reimbursable basis.

8. *Dependents' medical care.*—This activity provides funds for care in non-Public Health Service facilities for dependents of Public Health Service beneficiary members of the uniformed services and retired personnel. Direct care is provided in activities 1 and 2 above.

9. *Payments to Hawaii.*—Grants are made to Hawaii to defray the cost of care and treatment of persons afflicted with leprosy. Average daily patient load is expected to be 299 in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6,420	6,752	6,703
Full-time equivalent of all other positions	112	112	112
Average number of all employees	6,239	6,562	6,515
Number of employees at end of year	6,470	6,806	6,757
Average GS grade and salary	4.7 $4,138	4.7 $4,142	4.7 $4,147
Average salary of ungraded positions	$3,625	$3,732	$3,732
Personal service obligations:			
Permanent positions	$29,070,521	$30,702,000	$30,512,300
Positions other than permanent	408,443	411,500	411,500
Other personal services	1,050,194	1,136,400	1,126,900
Total personal service obligations	30,529,158	32,249,900	32,050,700
Direct obligations:			
01 Personal services	27,684,763	28,835,000	28,588,500
02 Travel	318,371	338,400	346,400
03 Transportation of things	329,068	314,400	311,700
04 Communication services	179,265	195,500	192,600
05 Rents and utility services	522,076	549,700	540,400
06 Printing and reproduction	75,352	80,300	80,800
07 Other contractual services	2,195,380	2,673,400	3,394,200
Services performed by other agencies	579,579	982,300	702,900
08 Supplies and materials	4,716,876	4,606,900	4,682,800
09 Equipment	650,232	442,750	582,800
10 Lands and structures	24,120	850	

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Direct obligations—Continued			
11 Grants, subsidies, and contributions	$3,012,412	$5,422,500	$5,426,700
13 Refunds, awards, and indemnities	14,831	6,900	
15 Taxes and assessments	71,392	108,500	102,800
Subtotal	40,373.717	44,557,400	44,952,600
Deduct quarters and subsistence charges	640,362	645,900	643,600
Total direct obligations	39,733,355	43,911,500	44,309,000
Reimbursable obligations:			
01 Personal services	2,844,395	3,414,900	3,462,200
02 Travel	22,675	23,600	28,700
03 Transportation of things	26,622	28,800	36,000
04 Communication services	14,288	14,400	17,200
05 Rents and utility services	49,265	47,000	60,600
06 Printing and reproduction	5,575	6,300	7,800
07 Other contractual services	54,387	57,500	63,400
Services performed by other agencies		2,000	2,800
08 Supplies and materials	398,974	352,200	471,000
09 Equipment	64,584	36,800	64,700
11 Grants, subsidies, and contributions		139,000	172,900
15 Taxes and assessments	8,334	11,200	13,100
Subtotal	3,489,099	4,133,700	4,400,400
Deduct quarters and subsistence charges	59,734	54,200	71,400
Total reimbursable obligations	3,429,365	4,079,500	4,329,000
Total obligations	43,162,720	47,991,000	48,638,000

FOREIGN QUARANTINE ACTIVITIES

[Foreign quarantine service:] For carrying out the purposes of sections 361 to 369 of the Act, relating to preventing the introduction of communicable diseases from foreign countries, the medical examination of aliens in accordance with section 325 of the Act, and the care and treatment of quarantine detainees pursuant to section 322 (e) of the Act in private or other public hospitals when facilities of the Public Health Service are not available, including insurance of official motor vehicles in foreign countries when required by law of such countries, [$3,876,000] *$3,983,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$3,876,000** Estimate 1959, **$3,983,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Examination of aliens and quarantine inspections at United States ports	$2,743,299	$3,064,000	$3,171,000
2. Examination of visa applicants in foreign countries	359,461	583,000	583,000
3. Administration	200,000	229,000	229,000
Total obligations	3,302,760	3,876,000	3,983,000
Financing:			
Unobligated balance no longer available	12,240		
Appropriation (new obligational authority)	3,315,000	3,876,000	3,983,000

1. *Examination of aliens and quarantine inspections at United States ports.*—Aliens are examined in order to exclude those who are physically or mentally defective. Other inspections are made to prevent introduction of quarantinable diseases. Basic workload data are:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Examination of aliens	2,183,619	2,678,902	3,015,000	3,390,000
Medical certifications	48,905	44,906	48,400	51,800
Aircraft inspected	56,891	61,892	66,800	70,800
Vessels inspected	30,126	34,779	37,300	40,600
Aircraft treated	14,375	15,350	16,800	18,100
Vessels treated	875	820	880	880
Persons inspected for quarantine	46,993,370	52,253,263	56,590,000	61,170,000
Persons treated	495,649	565,109	633,000	660,000

2. *Examination of visa applicants in foreign countries.*—Examinations are made in foreign countries to prevent issuance of visas to persons medically excludable from the United States. Basic workload data are as follows:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Total examinations	194,736	206,754	250,600	269,100
Medical notifications	44,442	41,574	47,400	47,900

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	573	613	613
Full-time equivalent of all other positions	6	5	5
Average number of all employees	498	551	555
Number of employees at end of year	522	576	576
Average GS grade and salary	6.7 $5,069	6.6 $5,006	6.6 $5,006
Average salary of ungraded positions	$3,881	$4,104	$4,104
01 Personal services:			
Permanent positions	$2,629,450	$2,905,000	$2,993,200
Positions other than permanent	35,515	41,100	41,100
Other personal services	194,804	248,900	248,900
Total personal services	2,859,769	3,195,000	3,283,200
02 Travel	44,316	117,000	117,000
03 Transportation of things	23,317	43,900	43,900
04 Communication services	26,459	29,200	29,200
05 Rents and utility services	34,516	37,100	37,100
06 Printing and reproduction	9,503	9,300	9,300
07 Other contractual services	197,393	180,000	191,500
08 Supplies and materials	94,497	123,300	123,300
09 Equipment	40,956	29,600	29,100
11 Grants, subsidies, and contributions		136,000	143,800
13 Refunds, awards, and indemnities	185		
15 Taxes and assessments	5,838	9,600	9,600
Subtotal	3,336,749	3,910,000	4,017,000
Deduct quarters and subsistence charges	33,989	34,000	34,000
Total obligations	3,302,760	3,876,000	3,983,000

Indian Health Activities

[Indian health activities:] For expenses necessary to enable the Surgeon General to carry out the purposes of the Act of August 5, 1954 (42 U. S. C. 2001), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) (including not to exceed $10,000 for such services at rates not to exceed $100 per diem for individuals, when authorized by the Surgeon General); purchase of not to exceed [fifty] *twenty-five* passenger motor vehicles for replacement only; hire of passenger motor vehicles and aircraft; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the purposes set forth in sections 321, *322 (d)*, *324* and 509 of the Public Health Service Act; [$40,100,000] *$40,225,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$40,100,000** Estimate 1959, **$40,225,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Hospital health services	$22,563,513	$23,496,000	$23,607,000
2. Contract patient care	7,912,717	8,000,000	8,000,000
3. Field health services	5,918,876	6,536,000	6,547,000
4. Program direction and management services	2,075,861	2,068,000	2,071,000
Total obligations	38,470,967	40,100,000	40,225,000
Financing:			
Unobligated balance no longer available	241,150		
New obligational authority	38,712,117	40,100,000	40,225,000
New obligational authority:			
Appropriation	$38,775,000	$40,100,000	$40,225,000
Applied to contract authorization	−678,455	−615,572	−615,572
Contract authorization	615,572	615,572	615,572

1. *Hospital health services.*—This activity consists of 52 general hospitals and their outpatient clinics and 4 tuberculosis sanatoria: 48 in the continental United States and 8 in Alaska. Workloads are expected to change as follows:

AVERAGE DAILY PATIENT LOAD (EXCLUDING NEWBORN) AND TOTAL OUTPATIENT TREATMENTS

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Inpatient load by type of hospital:				
Continental United States:				
General hospitals	1,283	1,367	1,405	1,415
Tuberculosis hospitals	535	555	535	515
Alaska: General hospitals	845	863	880	880
Total inpatient load	2,663	2,785	2,820	2,810
Outpatient treatments (all hospitals)	563,589	657,474	665,000	705,000

2. *Contract patient care.*—Indian and Alaska native patients are hospitalized in non-Federal hospitals and are provided medical care by private physicians where Indian hospital or medical care facilities are not available. Patient loads in hospitals are estimated to be as follows:

AVERAGE DAILY CONTRACT PATIENT LOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
By type of patient:				
General patients	278	302	350	420
Tuberculosis patients	1,052	899	717	600
Neuropsychiatric patients	204	219	240	240
Total	1,534	1,420	1,307	1,260

3. *Field health services.*—These include programs in sanitation, health education, nutrition, maternal and child health, school health, tuberculosis and other communicable disease control, medical social service, public health nursing, and oral health. The services are provided through health centers, clinics, and other field units operated directly by the Service, as well as through contractual arrangements with State and local health organizations, the Alaska Department of Health, and university groups.

4. *Program direction and management services.*—This provides for professional program direction and management services in Washington and centralized management services in the field.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4,948	4,948	4,948
Full-time equivalent of all other positions	111	88	88
Average number of all employees	4,507	4,594	4,594
Number of employees at end of year	4,785	4,770	4,770
Average GS grade and salary	5.2 $4,264	5.2 $4,290	5.2 $4,290
Average salary of ungraded positions	$4,032	$4,049	$4,134
01 Personal services:			
Permanent positions	$18,896,033	$20,149,400	$20,254,400
Positions other than permanent	504,044	389,200	389,200
Other personal services	1,424,368	1,413,600	1,413,600
Total personal services	20,824,445	21,952,200	22,057,200
02 Travel	1,208,285	1,077,600	1,077,600
03 Transportation of things	551,231	462,600	462,600
04 Communication services	212,874	179,000	179,000
05 Rents and utility services	450,397	405,700	405,700
06 Printing and reproduction	86,025	74,300	74,300
07 Other contractual services	9,769,960	9,886,600	9,886,600
Services performed by other agencies	465,904	466,000	466,000
08 Supplies and materials	4,358,618	4,512,000	4,512,000
09 Equipment	1,150,378	572,800	572,800
11 Grants, subsidies, and contributions		1,168,400	1,206,400
13 Refunds, awards, and indemnities	8,660		
15 Taxes and assessments	52,897	53,300	53,300
Subtotal	39,139,674	40,810,500	40,953,500
Deduct quarters and subsistence charges	668,707	710,500	728,500
Total obligations	38,470,967	40,100,000	40,225,000

Construction of Indian Health Facilities

[Construction of Indian health facilities:] For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings; and purchase of trailers; [$3,096,000] *$2,374,000*, to remain available until June 30, [1959] *1960*: *Provided*, That such expenditures may be made through the Department of the Interior at the option of the Secretary of the Department of Health, Education, and Welfare: *Provided further, That the unexpended balance of appropriations heretofore granted under this head shall be merged with this appropriation.*

[For an additional amount for "Construction of Indian health facilities", $34,000, for the construction of sewer and water facilities for the Elko Indian colony, Nevada.] (*42 U. S. C. 2001; 25 U. S. C. 13, 465; 42 U. S. C. 248; 71 Stat. 353; Department of Health, Education, and Welfare Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$3,130,000** Estimate 1959, **$2,374,000**

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION OF INDIAN HEALTH FACILITIES—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Hospitals and clinics	$156,499	$2,603,263	$7,019,400
2. Personnel quarters	390,729	1,080,181	769,700
3. Alterations	330,161	1,077,828	3,945,800
4. Other plant facilities		422,000	112,000
Total obligations	877,389	5,183,272	11,846,900
Financing:			
Unobligated balance brought forward	−3,641,561	−11,526,172	−9,472,900
Unobligated balance carried forward	11,526,172	9,472,900	
Appropriation (new obligational authority)	8,762,000	3,130,000	2,374,000

The 1959 funds are required to complete construction of all Indian health projects (except hospitals) which have been previously authorized.

The estimates developed at the time of the original submissions were understated. Furthermore, there has been reported an increase of approximately 5% in construction costs per year. This will require funds of $2,374,000 distributed as follows: Hospitals and clinics, $99,600; personnel quarters, $714,000; alterations, $1,560,400.

Object Classification

	1957 actual	1958 estimate	1959 estimate
PUBLIC HEALTH SERVICE			
Average number of all employees	24	24	12
Number of employees at end of year	17	17	0
01 Personal services: Positions other than permanent	$188,185	$189,000	$94,000
02 Travel	13,171	22,000	6,000
03 Transportation of things	67,586	100,000	10,000
05 Rents and utility services	930	1,000	900
07 Other contractual services	90,320	198,441	51,600
08 Supplies and materials	130,415	200,000	22,100
09 Equipment	7,692	14,000	3,000
10 Lands and structures	66,954	100,000	20,000
15 Taxes and assessments	3,120	4,000	1,500
Total, Public Health Service	568,373	828,441	209,100
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Average number of all employees	11	25	25
Number of employees at end of year	11	25	25
01 Personal services: Positions other than permanent	$65,400	$146,100	$146,100
02 Travel	6,300	40,000	30,000
03 Transportation of things	200	1,800	2,000
04 Communication services	500	2,000	1,000
05 Rents and utility services	3,000	12,000	7,500
07 Other contractual services	144,199	170,000	107,900
08 Supplies and materials	19,772	30,000	40,000
09 Equipment	2,855	36,000	18,000
10 Lands and structures	66,790	3,907,931	11,275,900
11 Grants, subsidies, and contributions		9,000	9,400
Total, Department of the Interior	309,016	4,354,831	11,637,800
Total obligations	877,389	5,183,272	11,846,900

GENERAL RESEARCH AND SERVICES, NATIONAL INSTITUTES OF HEALTH

[National Institutes of Health, general research and services:] For the activities of the National Institutes of Health, not otherwise provided for, including research fellowships and grants for research projects and training grants pursuant to section 301 of the Act; regulation and preparation of biologic products, and conduct of research related thereto; [purchase of not to exceed eight passenger motor vehicles for replacement only; not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; erection of temporary structures;] and grants of therapeutic and chemical substances for demonstrations and research; [$14,026,000] *$17,742,000: Provided, That funds advanced to the National Institutes of Health management fund from appropriations included in this Act shall be available for purchase of not to exceed nineteen passenger motor vehicles, of which fourteen shall be for replacement only; not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; and erection of temporary structures. (42 U. S. C. 241, 262, and 263; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$14,026,000** Estimate 1959, [a] **$17,742,000**

[a] Includes $3,224,000 for activities previously carried under:

"National Cancer Institute, Public Health Service"	$348,000
"Mental health activities, Public Health Service"	801,000
"National Heart Institute, Public Health Service"	1,120,000
"Dental health activities, Public Health Service"	127,000
"Arthritis and metabolic disease activities, Public Health Service"	193,000
"Allergy and infectious disease activities, Public Health Service"	86,000
"Neurology and blindness activities, Public Health Service"	549,000

The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$7,937,042	$9,468,000	$9,468,000
(b) Research fellowships	1,354,331	2,260,000	2,760,000
(c) Training	1,269,121	2,962,000	2,962,000
Total, grants	10,560,494	14,690,000	15,190,000
2. Direct operations:			
(a) Biologics standards	1,673,813	2,105,000	2,105,000
(b) Review and approval of grants	377,552	455,000	447,000
Total, direct operations	2,051,365	2,560,000	2,552,000
Total obligations	12,611,859	17,250,000	17,742,000
Financing:			
Comparative transfers from (−) or to other accounts	15,444,224	−3,224,000	
Advances and reimbursements from—			
Other accounts	−15,720,034		
Non-Federal sources	−334,720		
Unobligated balance no longer available	120,671		
Appropriation (new obligational authority)	12,122,000	14,026,000	17,742,000

NOTE.—Reimbursements from non-Federal sources above reflect proceeds from sale of meals pursuant to the Department of Health, Education, and Welfare Appropriation Act, 1957, and from the sale of personal property (40 U. S. C. 481 (c)). Reimbursements from other accounts include $734,000 comparative reimbursable obligations.

Eight appropriations for research operations and grants of the National Institutes of Health are for General Research and Services, the National Cancer Institute, the National Institute of Mental Health, the National Heart Institute, the National Institute of Dental Research, the National Institute of Arthritis and Metabolic Diseases, the National Institute of Allergy and Infectious Diseases, and the National Institute of Neurological Diseases and Blindness. Funds from each of these appropriations are pooled to finance research and selected services provided centrally, including the clinical center, through a management fund.

Obligations for these grant programs and direct operations are as shown in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Grants	$123,112,000	$147,376,000	$147,626,000
Direct operations	46,744,000	63,538,000	63,557,000
Total, National Institutes of Health grants and direct operations	169,856,000	210,914,000	211,183,000

The appropriation for general research and services finances research and training activities relating to basic problems in public health, medical, biological and chemical fields not related to a particular institute. It also finances the division of biologics standards which is responsible for the regulation of biologic products and the conduct of related research.

1. *Grants—(a) Grants for research projects.*—Funds for 1958 and 1959 will support approximately 770 grants to medical and other institutions for research projects, compared to 653 in 1957.

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(*b*) *Research fellowships.*—Fellowships are awarded to individuals to increase the number of scientists qualified to carry on independent research. Approximately 721 fellowships will be supported in 1958 and 771 in 1959, compared to 612 in 1957.

(*c*) *Training grants.*—The experimental training grant program initiated in 1957 will continue in 1958 and 1959. This program has permitted 8 leading medical schools in 1957 and an additional 6 schools in 1958 to explore the various means for identifying and giving special research training to gifted medical students. Funds will support approximately 90 training grants in the basic medical and biological disciplines in 1958 and 1959, compared to 23 in 1957.

2. *Direct operations*—(*a*) *Biologics standards.*—Activities include administration of the Biologics Control Act, establishment of standards for preparation of biologics, testing of vaccines and their preparation, and research related to development, manufacture, testing, and use of vaccines and analogous products.

(*b*) *Review and approval of grants.*—Review is made of applications for grants for research projects, research fellowships, and training grants, and approval is given to qualified applicants for awards. Review of such centrally administered programs as the postsophomore and foreign fellowships programs and training grants in the basic sciences also is provided.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	223	271	271
Full-time equivalent of all other positions	8	9	8
Average number of all employees	210	250	260
Number of employees at end of year	279	319	319
Average GS grade and salary	5.2 $4,432	5.6 $4,621	5.6 $4,621
01 Personal services:			
Permanent positions	$1,002,610	$1,271,300	$1,330,800
Positions other than permanent	40,587	47,600	43,600
Other personal services	65,012	59,200	59,200
Total personal services	1,108,209	1,378,100	1,433,600
02 Travel	59,172	65,600	69,600
03 Transportation of things	19,680	12,900	8,900
04 Communication services	11,093	19,700	20,700
05 Rents and utility services		7,700	
06 Printing and reproduction	5,470	8,300	8,800
07 Other contractual services	33,739	14,500	17,500
Reimbursements to "National Institutes of Health management fund"	205,000	495,000	495,000
08 Supplies and materials	455,295	440,500	382,400
09 Equipment	166,025	55,400	48,400
11 Grants, subsidies, and contributions	10,545,494	14,749,500	15,254,300
13 Refunds, awards, and indemnities	775	400	400
15 Taxes and assessments	2,789	3,400	3,400
Subtotal	12,612,741	17,251,000	17,743,000
Deduct quarters and subsistence charges	882	1,000	1,000
Total obligations	12,611,859	17,250,000	17,742,000

National Cancer Institute

[National Cancer Institute:] To enable the Surgeon General, upon the recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing consultative services, demonstrations, and grants-in-aid; and to contract on a cost or other basis for supplies and services by negotiation, without regard to section 3709 of the Revised Statutes, in connection with the chemotherapy program, including indemnification of contractors to the extent and subject to the limitations provided in title 10, United States Code, section 2354, except that approval and certification required thereby shall be by the Surgeon General; and to otherwise carry out the provisions of title IV, part A, of the Act;

[$56,402,000] *$55,923,000. (42 U. S. C. 281—286; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$56,402,000** Estimate 1959, [a] **$55,923,000**

[a] Excludes $348,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$18,703,427	$21,059,000	$21,059,000
(*b*) Research fellowships	968,320	1,027,000	1,027,000
(*c*) Training	4,505,566	4,550,000	4,550,000
(*d*) State control programs	2,235,318	2,250,000	2,250,000
(*e*) Field investigations	1,896,903	1,900,000	1,900,000
Total, grants	28,309,534	30,786,000	30,786,000
2. Direct operations:			
(*a*) Research	8,024,823	9,360,000	9,435,000
(*b*) Review and approval of grants	406,180	562,000	528,000
(*c*) Professional and technical assistance	1,678,155	2,724,000	2,644,000
(*d*) Chemotherapy contracts	3,975,109	12,340,000	12,365,000
(*e*) Administration	157,516	165,000	165,000
Total, direct operations	14,241,783	25,151,000	25,137,000
Total obligations	42,551,317	55,937,000	55,923,000
Financing:			
Comparative transfers to other accounts	4,517	348,000	
Unobligated balance no longer available	5,876,166	117,000	
Appropriation (new obligational authority)	48,432,000	56,402,000	55,923,000

1. *Grants*—(*a*) *Grants for research projects.*—Funds for 1958 and proposed for 1959 will support approximately 1,417 grants to medical and dental schools and other institutions for research projects, compared to 1,167 in 1957.

(*b*) *Research fellowships.*—Fellowships are awarded to individuals to increase the number of scientists qualified to carry on independent research. Approximately 397 fellowships will be supported in 1958 and 1959, compared to 385 in 1957.

(*c*) *Training grants.*—Grants are awarded to accredited schools for the improvement of instruction in the curriculum; clinical traineeships are awarded to individuals for specialized postgraduate training and technician traineeships for specialized cytologic training; and grants are awarded to research training centers for individual traineeships. The following table summarizes these grants:

	1957 actual	*1958 estimate*	*1959 estimate*
Improvement of instruction	140	139	136
Clinical traineeships	178	165	165
Technician traineeships	1	30	30
Research training centers	30	30	30
Number of traineeships	(213)	(213)	(213)

(*d*) *Grants for State control programs.*—Funds are provided to States and Territories on a formula basis for strengthening State and local clinical and educational services.

(*e*) *Grants for field investigations.*—Grants are made to local health agencies, universities, hospitals, and nonprofit professional organizations to develop, initiate, or establish improved types of cancer control techniques and devices.

2. *Direct operations*—(*a*) *Research.*—Research is conducted in biochemistry, biology, biometry, epidemiology, chemotherapy, endocrinology, environmental cancer, pathology, physiology, radiation, and surgery.

(*b*) *Review and approval of grants.*—Review is made of applications for grants for research projects, research fellowships, and training grants, and approval is given to qualified applicants for awards.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL CANCER INSTITUTE—Continued

(*c*) *Professional and technical assistance.*—Technical guidance and professional leadership is provided to universities, hospitals, clinics, and public and private nonprofit organizations engaged in prevention, diagnosis and treatment of cancer. Field studies and investigations are supported for the acquisition, development and application of new knowledge pertinent to the prevention, control and treatment of human cancer.

(*d*) *Chemotherapy contracts.*—In addition to chemotherapy activities undertaken through direct research and grants, contracts are made with public and private organizations and universities for directed research in cancer chemotherapy.

Object Classification

	1957 actual	1958 estimate	1959 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	966	1,136	1,126
Full-time equivalent of all other positions	29	27	27
Average number of all employees	870	1,065	1,092
Number of employees at end of year	964	1,147	1,163
Average GS grade and salary	5.8 $4,659	5.7 $4,658	5.7 $4,665
01 Personal services:			
Permanent positions	$4,575,567	$5,620,750	$5,777,350
Positions other than permanent	148,918	147,650	147,650
Other personal services	54,534	78,600	79,000
Total personal services	4,779,019	5,847,000	6,004,000
02 Travel	198,265	254,000	234,000
03 Transportation of things	44,667	30,000	30,000
04 Communication services	63,648	70,000	70,000
05 Rents and utility services	4,347	5,000	5,000
06 Printing and reproduction	86,124	87,700	87,700
07 Other contractual services	85,600	185,400	134,000
Research contracts	3,581,299	11,816,500	11,775,500
Reimbursements to "National Institutes of Health management fund"	3,874,390	4,447,000	4,518,000
08 Supplies and materials	967,968	1,265,600	1,170,200
09 Equipment	485,627	477,600	426,000
11 Grants, subsidies, and contributions	28,255,534	31,018,500	31,035,900
13 Refunds, awards, and indemnities	2,105	2,000	2,000
15 Taxes and assessments	14,881	17,200	17,200
Subtotal	42,443,474	55,523,500	55,509,500
Deduct quarters and subsistence charges	20,129	21,000	21,000
Total, Public Health Service	42,423,345	55,502,500	55,488,500
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions	20	51	51
Average number of all employees	15	49	49
Number of employees at end of year	15	51	51
Average GS grade and salary	8.3 $5,931	8.5 $6,228	8.5 $6,228
01 Personal services:			
Permanent positions	$89,795	$307,300	$307,300
Other personal services		700	700
Total personal services	89,795	308,000	308,000
02 Travel	14,293	65,000	65,000
03 Transportation of things	230		
04 Communication services	1		
07 Other contractual services	29		
08 Supplies and materials	7,181	32,000	31,000
09 Equipment	16,443	6,500	6,500
11 Grants, subsidies, and contributions		23,000	24,000
Total, Veterans Administration	127,972	434,500	434,500
Total obligations	42,551,317	55,937,000	55,923,000

MENTAL HEALTH ACTIVITIES

[Mental health activities:] For expenses necessary for carrying out the provisions of sections 301, 302, 303, [304,] 311, 312, and 314 (c) of the Act with respect to mental diseases, [$39,217,000] *$37,697,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$39,217,000** Estimate 1959, [a] **$37,697,000**

[a] Excludes $801,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$7,439,999	$12,402,000	$11,902,000
(*b*) Research fellowships	491,550	546,000	546,000
(*c*) Training	11,501,949	13,300,000	13,300,000
(*d*) State control programs	3,949,845	4,000,000	4,000,000
Total, grants	23,383,343	30,248,000	29,748,000
2. Direct operations:			
(*a*) Research	5,052,806	5,917,000	5,808,000
(*b*) Review and approval of grants	414,476	601,000	591,000
(*c*) Training activities	63,268	78,000	70,000
(*d*) Professional and technical assistance	875,446	1,273,000	1,221,000
(*e*) Administration	216,869	259,000	259,000
Total, direct operations	6,622,865	8,128,000	7,949,000
Total obligations	30,006,208	38,376,000	37,697,000
Financing:			
Comparative transfers to other accounts	267,777	801,000	
Unobligated balance no longer available	4,923,015	40,000	
Appropriation (new obligational authority)	35,197,000	39,217,000	37,697,000

1. *Grants*—(*a*) *Grants for research projects.*—Funds for 1958 and 1959 will support approximately 540 grants to medical schools and other institutions for research projects, as compared to 484 in 1957, and 50 special project grants for mental health.

(*b*) *Research fellowships.*—Fellowships are awarded to individuals to increase the number of scientists qualified to carry on independent research. In 1957, 147 fellowships were provided and it is estimated that 146 can be provided in both 1958 and 1959.

(*c*) *Training grants.*—Training grants are awarded to accredited schools for the improvement of instruction in the curriculum and for traineeships to individuals for postgraduate training. In both 1958 and 1959 approximately 500 training grants can be awarded. These include funds for about 1,900 traineeships. In 1957 441 grants provided funds for 1,739 traineeships.

(*d*) *Grants for State control programs.*—Grants are made to States and Territories on a formula basis to assist in establishing, improving, and maintaining community mental health programs.

2. *Direct operations*—(*a*) *Research.*—Laboratory and clinical research is conducted in neurochemistry, neurophysiology, psychology, neuropsychiatric studies, socio-environmental studies, and neuropharmacology (including narcotics and barbiturate addiction).

(*b*) *Review and approval of grants.*—These operations provide for review and evaluation of applications for grants for research projects, research fellowships, and training grants.

(*c*) *Training activities.*—Consultation is furnished to schools on modification of training procedures, techniques, and curriculum development, and for the inservice training of employees.

(*d*) *Professional and technical assistance.*—These operations consist of assistance to States in developing, and expanding local mental health programs through consultation services, and field studies in developing preventive and outpatient services; survey and development of special areas in mental health; consultation services for mental hospitals and related institutions; and the psychopharmacology service center.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	475	662	662
Full-time equivalent of all other positions	35	37	37
Average number of all employees	435	584	626
Number of employees at end of year	535	666	686
Average GS grade and salary	7.3 $5,540	7.7 $5,689	7.7 $5,689
01 Personal services:			
Permanent positions	$2,541,162	$3,490,250	$3,752,250
Positions other than permanent	221,519	235,675	235,675
Other personal services	26,980	37,025	37,925
Total personal services	2,789,661	3,762,950	4,025,850
02 Travel	247,457	329,200	312,900
03 Transportation of things	17,257	26,800	22,400
04 Communication services	42,283	56,100	56,100
05 Rents and utility services	35,035	62,500	6,500
06 Printing and reproduction	25,347	37,600	36,600
07 Other contractual services	247,226	212,550	205,650
Reimbursements to "National Institutes of Health management fund"	2,267,684	2,678,000	2,663,000
08 Supplies and materials	153,251	263,400	236,400
09 Equipment	262,377	442,000	205,900
10 Lands and structures	21,364	100,000	
11 Grants, subsidies, and contributions	23,335,343	30,368,500	29,888,800
13 Refunds, awards, and indemnities	235		
15 Taxes and assessments	10,932	17,400	17,900
Subtotal	29,455,452	38,357,000	37,678,000
Deduct quarters and subsistence charges	6,262	6,000	6,000
Total, Public Health Service	29,449,190	38,351,000	37,672,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	2	5	5
Average number of all employees		5	5
Number of employees at end of year	2	5	5
Average GS grade and salary	4.0 $3,415	5.0 $3,740	5.0 $3,740
01 Personal services:			
Permanent positions	$1,525	$17,600	$17,600
Other personal services	129	1,200	1,200
Total personal services	1,654	18,800	18,800
06 Printing and reproduction	1,431		
07 Other contractual services	24,433	200	200
08 Supplies and materials		3,000	3,000
09 Equipment		2,000	1,900
10 Lands and structures	529,500		
11 Grants, subsidies, and contributions		1,000	1,100
Total, allocation accounts	557,018	25,000	25,000
Total obligations	30,006,208	38,376,000	37,697,000
Obligations are distributed as follows:			
Public Health Service	$29,449,190	$38,351,000	$37,672,000
General Services Administration	555,359		
Saint Elizabeths Hospital	1,659	25,000	25,000

National Heart Institute

[National Heart Institute:] For expenses necessary to carry out the purposes of the National Heart Act, [$35,936,000] *$34,712,000. (42 U. S. C. 287; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$35,936,000** Estimate 1959, [a] **$34,712,000**

[a] Excludes $1,120,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$18,192,767	$19,364,000	$19,364,000
(b) Research fellowships	1,284,968	1,375,000	1,375,000
(c) Training	4,095,145	4,240,000	4,240,000
(d) State control programs	1,987,983	2,125,000	2,125,000
Total, grants	25,560,863	27,104,000	27,104,000
2. Direct operations:			
(a) Research	5,585,194	6,396,000	6,376,000
(b) Review and approval of grants	399,725	515,000	504,000
(c) Training activities	33,714	130,000	75,000
(d) Professional and technical assistance	520,603	565,000	560,000
(e) Administration	92,950	93,000	93,000
Total, direct operations	6,632,186	7,699,000	7,608,000
Total obligations	32,193,049	34,803,000	34,712,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$199,055	$1,120,000	
Unobligated balance no longer available	1,003,896	13,000	
Appropriation (new obligational authority)	33,396,000	35,936,000	$34,712,000

1. *Grants*—(*a*) *Grants for research projects.*—These grants are made to medical schools, other institutions, and to individuals for research projects. Approximately 1,333 research projects will be supported in 1958 and 1959, as compared to 1,245 in 1957.

(*b*) *Research fellowships.*—Predoctoral, postdoctoral, special, and part-time medical student fellowships are awarded to individuals to increase the number of research workers in the area of cardiovascular diseases. Approximately 372 awards will be supported in 1958 and 1959, as compared to 318 in 1957.

(*c*) *Training grants.*—These grants in 1958 will provide assistance to 101 schools of medicine, osteopathy, and public health for support of undergraduate training. Funds will provide for 73 grants for graduate research and clinical training, including 395 traineeships. In addition, approximately 23 direct clinical traineeships will be awarded to individuals for specialized postgraduate training. In 1957 comparable schools, grants, traineeships, and direct clinical awards were 100, 61, 324, and 98, respectively. Elimination of direct traineeships in 1959 will provide for inclusion of 1 additional medical school in the undergraduate program and 3 additional graduate training grants, including about 16 trainees, with no increase in funds.

(*d*) *Grants for State control programs.*—Grants are made to States and Territories, distributed on a formula basis, for improving State and local programs in prevention, education, community services, and operational research concerning cardiovascular diseases.

2. *Direct operations*—(*a*) *Research.*—Research is conducted in new and improved therapeutic agents, diagnostic instrumentation, and in clinical medicine on coronary artery disease, hypertension, arteriosclerosis, congestive heart failure, and related problems.

(*b*) *Review and approval of grants.*—Review is made of applications for grants for research projects, research fellowships, and training grants, and approval is given to qualified applicants for awards.

(*c*) *Training activities.*—Inservice training is provided for positions requiring unique combinations of cardiovascular training and experience.

(*d*) *Professional and technical assistance.*—Technical guidance and professional leadership are furnished to State and local health departments on heart program management in the fields of medicine, nursing, nutrition, medical social work, records and statistics, and program promotion.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	527	585	575
Full-time equivalent of all other positions	20	20	14
Average number of all employees	462	520	530
Number of employees at end of year	526	611	608
Average GS grade and salary	6.2 $4,853	6.6 $5,129	6.6 $5,129
01 Personal services:			
Permanent positions	$2,611,432	$3,089,600	$3,147,600
Positions other than permanent	104,438	109,400	77,400
Other personal services	16,754	24,000	24,000
Total personal services	2,732,624	3,223,000	3,249,000

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL HEART INSTITUTE—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$161,308	$186,500	$186,000
03 Transportation of things	32,432	42,500	32,000
04 Communication services	30,210	34,000	34,000
05 Rents and utility services	9,079	16,000	11,000
06 Printing and reproduction	21,882	22,000	22,000
07 Other contractual services	219,258	221,100	141,500
Research contracts	23,500	23,500	23,500
Reimbursements to "National Institutes of Health management fund"	2,754,616	3,157,000	3,178,000
08 Supplies and materials	352,891	425,000	443,000
09 Equipment	331,414	244,300	178,000
11 Grants, subsidies, and contributions	25,533,863	27,209,800	27,216,000
13 Refunds, awards, and indemnities	1,355	300	
15 Taxes and assessments	9,870	20,000	20,000
Subtotal	32,214,302	34,825,000	34,734,000
Deduct quarters and subsistence charges	21,253	22,000	22,000
Total obligations	32,193,049	34,803,000	34,712,000

DENTAL HEALTH ACTIVITIES

[Dental health activities:] For expenses not otherwise provided for, necessary to enable the Surgeon General to carry out the purposes of the Act with respect to dental diseases and conditions, [$6,430,000] *$6,293,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$6,430,000** Estimate 1959, [a] **$6,293,000**

[a] Excludes $127,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$2,690,219	$2,825,000	$2,825,000
(b) Research fellowships	445,612	423,000	423,000
(c) Training	481,360	450,000	450,000
Total, grants	3,617,191	3,698,000	3,698,000
2. Direct operations:			
(a) Research	1,042,079	1,228,000	1,223,000
(b) Review and approval of grants	86,074	98,000	96,000
(c) Professional and technical assistance	816,333	911,000	911,000
(d) Coordination and development of dental resources	285,104	301,000	301,000
(e) Administration	51,350	66,000	64,000
Total, direct operations	2,280,940	2,604,000	2,595,000
Total obligations	5,898,131	6,302,000	6,293,000
Financing:			
Comparative transfers to other accounts	51,084	127,000	
Unobligated balance no longer available	76,785	1,000	
Appropriation (new obligational authority)	6,026,000	6,430,000	6,293,000

1. *Grants*—(*a*) *Grants for research projects.*—Approximately 257 grants to dental schools and other institutions for research projects will be supported in 1958 and 1959, as compared to 265 in 1957.

(*b*) *Research fellowships.*—Fellowships are awarded to individuals to increase the number of qualified investigators for research in dental health. Approximately 305 fellowships, including 240 part-time dental students, will be supported in 1958 and 1959, as compared to 307 fellowships for 239 students in 1957.

(*c*) *Training grants.*—Approximately 15 grants will be awarded to schools to train some 75 individuals for academic teaching and research careers in the various fields of dental science; 15 grants to train 75 individuals were made in 1958, and 19 for 40 individuals in 1957.

2. *Direct operations*—(*a*) *Research.*—Research is conducted in the fields of periodontal diseases, growth and development, oral surgery, bacteriology, pathology, histology, oral and biological chemistry, epidemiology, and biometry.

(*b*) *Review and approval of grants.*—Applications for grants for research projects, research fellowships, and training grants are reviewed.

(*c*) *Professional and technical assistance.*—Funds are provided for the development of effective dental public health methods for widespread application in States and communities and to furnish technical and professional assistance.

(*d*) *Coordination and development of dental resources.*—Funds are provided for investigations into the status of the Nation's dental health, for study and appraisal of dental manpower, and for evaluation and development of methods for extending the availability of dental care to the American people.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	243	243	243
Full-time equivalent of all other positions	19	42	42
Average number of all employees	224	273	272
Number of employees at end of year	309	344	344
Average GS grade and salary	6.4 $4,877	6.5 $4,959	6.5 $4,959
01 Personal services:			
Permanent positions	$1,348,416	$1,542,257	$1,538,457
Positions other than permanent	60,739	128,100	128,100
Other personal services	4,923	8,500	8,500
Total personal services	1,414,078	1,678,857	1,675,057
02 Travel	113,548	108,700	108,700
03 Transportation of things	16,666	17,700	17,700
04 Communication services	9,678	9,600	9,600
05 Rents and utility services	4,364	10,200	5,200
06 Printing and reproduction	12,117	20,500	20,500
07 Other contractual services	67,505	94,800	94,800
Reimbursements to "National Institutes of Health management fund"	367,418	499,000	498,000
08 Supplies and materials	123,429	79,900	79,000
09 Equipment	161,255	33,400	33,400
11 Grants, subsidies, and contributions	3,606,191	3,746,000	3,747,700
13 Refunds, awards, and indemnities	400		
15 Taxes and assessments	6,407	9,500	9,500
Subtotal	5,903,056	6,308,157	6,299,157
Deduct quarters and subsistence charges	4,925	6,157	6,157
Total obligations	5,898,131	6,302,000	6,293,000

ARTHRITIS AND METABOLIC DISEASE ACTIVITIES

[Arthritis and metabolic disease activities:] For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases, [$20,385,000] *$20,592,000.* (*42 U. S. C. 289a, b, c; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$20,385,000** Estimate 1959, [a] **$20,592,000**

[a] Excludes $193,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$8,139,922	$11,037,000	$11,137,000
(b) Research fellowships	299,695	257,000	257,000
(c) Training	1,836,491	2,350,000	2,500,000
Total, grants	10,276,108	13,644,000	13,894,000
2. Direct operations:			
(a) Research	5,357,370	6,152,000	6,328,000
(b) Review and approval of grants	191,913	274,000	281,000
(c) Administration	81,468	89,000	89,000
Total, direct operations	5,630,751	6,515,000	6,698,000
Total obligations	15,906,859	20,159,000	20,592,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers from (−) or to other accounts	−$56,745	$193,000	
Unobligated balance no longer available	34,886	33,000	
Appropriation (new obligational authority)	15,885,000	20,385,000	$20,592,000

1. *Grants—(a) Grants for research projects.*—Approximately 786 grants to medical schools and other institutions, and to individuals for research projects were supported in 1957. 850 are being supported in 1958 and an additional 5 grants will be made in 1959.

(b) Research fellowships.—Awards are made to individuals as a step toward assuring the development of an increasing number of scientists qualified to carry on independent research. 65 fellowships are estimated for 1958 and 1959, as compared to 76 in 1957.

(c) Training grants.—During 1958 it is estimated that 134 grants will be awarded to accredited schools, for the improvement of instruction, and 55 traineeships will be awarded to individuals for specialized postgraduate training. The corresponding grants and traineeships in 1957 were 110 and 52 respectively. An additional three awards to schools will be made in 1959.

2. *Direct operations—(a) Research.*—Clinical and laboratory research is conducted in the fields of arthritis, rheumatism, diabetes, and other metabolic disorders, as well as studies in the major disciplines including pharmacology, toxicology, physiology, biochemistry, nutrition, chemistry, pathology, endocrinology and physical biology.

(b) Review and approval of grants.—A review of applications for grants for research projects, research fellowships, and training grants is made, and approval is given to qualified applicants for awards.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	422	444	454
Full-time equivalent of all other positions	4	4	5
Average number of all employees	379	418	433
Number of employees at end of year	400	455	465
Average GS grade and salary	7.0 $5,428	7.4 $5,646	7.5 $5,727
01 Personal services:			
Permanent positions	$2,361,062	$2,697,659	$2,796,329
Positions other than permanent	20,387	23,000	30,000
Other personal services	21,849	30,441	30,771
Total personal services	2,403,298	2,751,100	2,857,100
02 Travel	58,986	87,900	91,900
03 Transportation of things	12,337	10,000	10,000
04 Communication services	22,476	27,200	29,200
05 Rents and utility services	32		
06 Printing and reproduction	1,059	6,200	6,200
07 Other contractual services	46,491	181,900	181,900
Reimbursements to "National Institutes of Health management fund"	2,341,196	2,726,000	2,773,000
08 Supplies and materials	387,051	366,600	374,800
09 Equipment	378,872	239,100	244,400
11 Grants, subsidies, and contributions	10,261,108	13,767,000	14,026,900
13 Refunds, awards, and indemnities	300		
15 Taxes and assessments	6,401	9,500	9,500
Subtotal	15,919,607	20,171,900	20,604,900
Deduct quarters and subsistence charges	12,748	12,900	12,900
Total obligations	15,906,859	20,159,000	20,592,000

Allergy and Infectious Disease Activities

[Allergy and infectious disease activities:] For expenses, not otherwise provided for, necessary to carry out the purposes of the Act relating to allergy and infectious diseases, [$17,400,000] *$17,497,000,* of which $150,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory. *(42 U. S. C. 289a; 22 U. S. C. 278; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$17,400,000** Estimate 1959, [a] **$17,497,000**

[a] Excludes $86,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$8,210,086	$10,824,000	$10,824,000
(b) Research fellowships	112,865	101,000	101,000
(c) Training		580,000	580,000
Total, grants	8,322,951	11,505,000	11,505,000
2. Direct operations:			
(a) Research	4,903,211	5,520,000	5,740,000
(b) Review and approval of grants	148,973	193,000	178,000
(c) Administration	72,514	74,000	74,000
Total, direct operations	5,124,698	5,787,000	5,992,000
Total obligations	13,447,649	17,292,000	17,497,000
Financing:			
Comparative transfers from (−) or to other accounts	−177,110	86,000	
Unobligated balance no longer available	28,461	22,000	
Appropriation (new obligational authority)	13,299,000	17,400,000	17,497,000

1. *Grants—(a) Grants for research projects.*—Grants to medical schools, other institutions, and individuals were 787 in 1957, while funds for 1958 will support approximately 870 grants. Funds for 1959 will provide for approximately the same program level.

(b) Research fellowships.—Approximately 31 awards will be made in 1958 and 1959 for predoctoral, postdoctoral and special fellowships to increase the number of scientists qualified to carry on independent research. This compares to 33 awards made in 1957.

(c) Training grants.—Funds for 1958 and 1959 will provide approximately 30 grants to train individuals in allergy and immunology, parasitology and tropical medicine, mycology and rickettsiology.

2. *Direct operations—(a) Research.*—Laboratory, field, and clinical research is conducted in the broad fields of allergic, infectious, and parasitic diseases. The increase in 1959 will provide funds to expand research in allergy and immunology, virology and other respiratory infections.

(b) Review and approval of grants.—Review is made of applications for grants for research projects, research fellowships, and training grants, and approval is given to qualified applicants for awards.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	472	531	531
Full-time equivalent of all other positions	7	5	5
Average number of all employees	434	487	501
Number of employees at end of year	454	514	520
Average GS grade and salary	5.6 $4,674	5.9 $4,801	5.9 $4,801
01 Personal services:			
Permanent positions	$2,347,693	$2,685,700	$2,764,700
Positions other than permanent	38,689	27,700	27,700
Other personal services	43,846	52,400	54,200
Total personal services	2,430,228	2,765,800	2,846,600
02 Travel	60,095	71,600	68,600
03 Transportation of things	32,164	41,100	45,100
04 Communication services	20,945	21,700	22,200
05 Rents and utility services	19,572	33,000	35,100
06 Printing and reproduction	1,889	2,700	2,700
07 Other contractual services	113,769	151,400	179,400
Reimbursements to "National Institutes of Health management fund"	1,859,408	2,068,000	2,096,000

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ALLERGY AND INFECTIOUS DISEASE ACTIVITIES—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$421,689	$370,900	$391,900
09 Equipment	184,173	134,200	169,200
11 Grants, subsidies, and contributions	8,301,951	11,628,700	11,637,200
13 Refunds, awards, and indemnities	300	400	400
15 Taxes and assessments	7,341	10,200	10,300
Subtotal	13,453,524	17,299,700	17,504,700
Deduct quarters and subsistence charges	5,875	7,700	7,700
Total obligations	13,447,649	17,292,000	17,497,000

NEUROLOGY AND BLINDNESS ACTIVITIES

[Neurology and blindness activities:] For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, [$21,387,000] *$20,727,000*. (*42 U. S. C. 289a, b, c; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$21,387,000** Estimate 1959, [a] **$20,727,000**

[a] Excludes $549,000 for activities transferred in the estimates to "General research and services, National Institutes of Health." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$9,296,122	$10,750,000	$10,750,000
(b) Research fellowships	459,292	451,000	451,000
(c) Training	3,325,242	4,500,000	4,500,000
Total, grants	13,080,656	15,701,000	15,701,000
2. Direct operations:			
(a) Research	3,829,146	4,602,500	4,552,500
(b) Review and approval of grants	241,470	357,000	355,000
(c) Training activities	7,693	46,500	30,500
(d) Administration	80,718	88,000	88,000
Total, direct operations	4,159,027	5,094,000	5,026,000
Total obligations	17,239,683	20,795,000	20,727,000
Financing:			
Comparative transfers to other accounts	121,144	549,000	
Unobligated balance no longer available	1,289,173	43,000	
Appropriation (new obligational authority)	18,650,000	21,387,000	20,727,000

1. *Grants*—(*a*) *Grants for research projects.*—Grants to medical schools and other institutions made for research projects, totaled 640 in 1957 and approximately 715 will be supported in 1958 and 1959.

(*b*) *Research fellowships.*—Fellowships are awarded to individuals to increase the scientific manpower available to do research in the fields related to neurologic and sensory disorders. Approximately 178 fellowships, including 62 part-time awards, will be supported in 1958 and 1959, as compared to 275 fellowships in 1957.

(*c*) *Training grants.*—Funds for 1958 and 1959 will support approximately 130 grants to training institutions to establish and improve programs to train teachers and clinical investigators in neurology, ophthalmology, and otology. Approximately 140 traineeships will be awarded to individuals for specialized postgraduate training in 1958 and 1959. The grants and traineeships were 109 and 75, respectively, in 1957.

2. *Direct operations*—(*a*) *Research.*—Research is being conducted on disorders of the brain, spinal cord and peripheral nerves, such as epilepsy, cerebral palsy, multiple sclerosis, apoplexy, and Parkinson's disease; on neuromuscular disorders, such as muscular dystrophy; and on visual and other sensory disorders, such as glaucoma, uveitis, cataract and hearing impairments.

(*b*) *Review and approval of grants.*—Review is made of applications for grants for research projects, research fellowships, and training grants, and approval is given to qualified applicants for awards.

(*c*) *Training activities.*—Support is given for inservice training of qualified staff members in subjects related to neurological and other sensory disorders.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	265	300	296
Full-time equivalent of all other positions	15	25	25
Average number of all employees	206	288	287
Number of employees at end of year	262	330	325
Average GS grade and salary	7.5 $5,605	7.3 $5,447	7.3 $5,463
01 Personal services:			
Permanent positions	$1,179,158	$1,590,838	$1,582,338
Positions other than permanent	93,918	149,500	149,500
Other personal services	24,189	28,000	28,000
Total personal services	1,297,265	1,768,338	1,759,838
02 Travel	81,360	106,500	104,060
03 Transportation of things	26,810	26,700	24,260
04 Communication services	19,364	26,200	25,900
05 Rents and utility services	4,174	6,500	6,500
06 Printing and reproduction	9,539	17,000	17,000
07 Other contractual services	109,575	121,600	120,600
Research contracts	54,238	35,000	35,000
Reimbursements to "National Institutes of Health management fund"	1,982,937	2,312,600	2,320,600
08 Supplies and materials	215,837	360,600	326,800
09 Equipment	386,508	258,000	227,500
11 Grants, subsidies, and contributions	13,053,656	15,757,900	15,761,200
15 Taxes and assessments	5,824	7,400	7,200
Subtotal	17,247,087	20,804,338	20,736,338
Deduct quarters and subsistence charges	7,404	9,338	9,338
Total obligations	17,239,683	20,795,000	20,727,000

GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES

[Grants for construction of health research facilities:] For grants pursuant to the Health Research Facilities Act of 1956, $30,000,000. (*42 U. S. C. 292–292i; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$30,000,000** Estimate 1959, **$30,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants for construction and equipment (total obligations)	$29,999,905	$30,000,095	$30,000,000
Financing:			
Unobligated balance brought forward		−95	
Unobligated balance carried forward	95		
Appropriation (new obligational authority)	30,000,000	30,000,000	30,000,000

Funds are proposed for the final year of a $90 million 3-year program of grants for the construction of new and improved non-Federal research facilities in the sciences related to health as authorized by the Health Research Facilities Act of 1956. In 1957, grants were made to 109 non-Federal private and non-profit institutions. The programs for 1958 and 1959 remain at the same level.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$29,999,905	$30,000,095	$30,000,000

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Operations, National Library of Medicine

[National Library of Medicine:] For expenses, not otherwise provided for, necessary to carry out the National Library of Medicine Act [(70 Stat. 960), $1,450,000] *(42 U. S. C. 275), $1,415,000. (Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$1,450,000** Estimate 1959, **$1,415,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Library operations (total obligations)	$1,298,282	$1,450,000	$1,415,000
Financing:			
Comparative transfers from (−) other accounts	−310,129		
Unobligated balance no longer available	16,485		
New obligational authority	1,004,638	1,450,000	1,415,000
New obligational authority:			
Appropriation		$1,450,000	$1,415,000
Transferred (70 Stat. 962) from—			
"Operation and maintenance," Department of the Army	$995,250		
"Military personnel," Department of the Army	9,388		
Appropriation (adjusted)	1,004,638	1,450,000	1,415,000

The National Library of Medicine, previously the Armed Forces Medical Library, assists the advancement of science through the collection and exchange of medical and other scientific information. In addition to cataloging and indexing, the library also publishes biographical guides and provides reference and research assistance.

WORKLOAD DATA

	1957	*1958*	*1959*
Medical publications acquired	85,075	86,000	86,000
Titles cataloged	22,820	23,000	23,000
Volumes bound and repaired	18,705	19,000	19,000
Inquiries answered	9,299	10,000	10,000
Loan requests filled	125,383	126,000	126,000
Pages photographed	1,129,788	1,250,000	1,250,000
Journal articles indexed	111,317	110,000	110,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	222	225	224
Full-time equivalent of all other positions	1	1	1
Average number of all employees	210	218	217
Number of employees at end of year	217	222	221
Average GS grade and salary	6.0 $4,688	6.5 $4,892	6.5 $4,866
Average salary of ungraded positions	$3,801	$3,849	$3,849
01 Personal services:			
Permanent positions	$954,236	$1,052,540	$1,041,740
Positions other than permanent	3,589	4,000	4,000
Other personal services	30,117	13,460	11,860
Total personal services	987,942	1,070,000	1,057,600
02 Travel	9,130	9,800	9,800
03 Transportation of things	315	400	400
04 Communication services	7,498	11,100	11,100
05 Rents and utility services	10,480	23,000	23,000
06 Printing and reproduction	94,567	111,000	91,000
07 Other contractual services	31,636	18,100	18,100
08 Supplies and materials	51,697	49,500	49,500
09 Equipment	103,158	98,800	94,200
11 Grants, subsidies, and contributions		56,300	58,300
13 Refunds, awards, and indemnities	220		
15 Taxes and assessments	1,639	2,000	2,000
Total obligations	1,298,282	1,450,000	1,415,000

Retired Pay of Commissioned Officers

[Retired pay of commissioned officers:] For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, such amount as may be required during the current fiscal year. *(42 U. S. C. 212; 37 U. S. C. 371, 372, 373; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated (est.) 1958, **$1,500,000** Estimate 1959, **$1,600,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Retirement payments and survivors' benefits (total obligations)	$1,384,414	$1,500,000	$1,600,000
Financing:			
Unobligated balance brought forward	−5,908		
Unobligated balance no longer available	71,494		
Appropriation (new obligational authority):			
Definite	1,450,000		
Indefinite		1,500,000	1,600,000

Provision is made for the pay of officers retired for age, disability, or length of service, and for payments to survivors of officers who die while on the retired list. There were 263 retired officers on the rolls on June 30, 1957, and it is anticipated that there will be 278 in 1958 and 292 in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$1,384,414	$1,500,000	$1,600,000

Salaries and Expenses

[Salaries and expenses:] For the divisions and offices of the Office of the Surgeon General and for miscellaneous expenses of the Public Health Service not appropriated for elsewhere, including preparing information, articles, and publications related to public health; and conducting studies and demonstrations in public health methods; [$5,100,000] *$5,325,000. (Federal Civil Defense Act of 1950, as amended; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$5,100,000** Estimate 1959, **$5,325,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public health methods and reports	$1,212,868	$1,800,000	$1,936,000
2. Management and central services	2,669,631	3,300,000	3,389,000
Total obligations	3,882,499	5,100,000	5,325,000
Financing:			
Unobligated balance no longer available	30,501		
New obligational authority	3,913,000	5,100,000	5,325,000
New obligational authority:			
Appropriation	$3,892,000	$5,100,000	$5,325,000
Transferred from "Operation and maintenance," Department of the Army (70 Stat. 962)	21,000		
Appropriation (adjusted)	3,913,000	5,100,000	5,325,000

Public health methods and reports.—This program is primarily concerned with studies of public health practice, economics, and health trends. It includes (*a*) interpretation of data to evaluate health problems, to measure the available facilities, health personnel, supplies and organizations against those needs, and to provide a factual foundation for public health programs; (*b*) the national health survey to obtain information on the amount, distribution, and effects of illness and disability in the United States and the services received for such conditions, and the study of techniques for obtaining such statistical information with a view toward their continuing improvement; (*c*) the provision of advisory services to other Government and non-Government organizations; (*d*) staff services for the Surgeon General; and (*e*) publication of Public Health Reports, the official technical journal of the Public Health Service.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	496	557	567
Full-time equivalent of all other positions	2	4	4
Average number of all employees	451	531	544
Number of employees at end of year	471	547	557
Average GS grade and salary	7.5 $5,609	7.5 $5,619	7.5 $5,606
01 Personal services:			
Permanent positions	$2,616,651	$3,154,315	$3,237,440
Positions other than permanent	7,338	20,025	20,025
Other personal services	14,456	17,360	17,460
Total personal services	2,638,445	3,191,700	3,274,925
02 Travel	65,366	138,800	139,300
03 Transportation of things	5,515	11,100	11,100
04 Communication services	197,781	205,200	205,200
05 Rents and utility services	863	2,700	2,700
06 Printing and reproduction	128,327	159,700	165,700
07 Other contractual services	42,647	157,050	181,450
Services performed by other agencies	701,968	981,150	1,079,450
08 Supplies and materials	38,385	40,000	41,000
09 Equipment	61,036	34,450	36,450
11 Grants, subsidies, and contributions		175,500	184,475
13 Refunds, awards, and indemnities	804		
15 Taxes and assessments	2,562	4,050	4,650
Subtotal	3,883,699	5,101,400	5,326,400
Deduct quarters and subsistence charges	1,200	1,400	1,400
Total obligations	3,882,499	5,100,000	5,325,000

SURVEYS AND PLANNING FOR HOSPITAL CONSTRUCTION

[Surveys and planning for hospital construction: The funds appropriated under this head in the Supplemental Appropriation Act, 1955 (68 Stat. 810), shall remain available for expenditure until June 30, 1958.] *(Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Surveys and planning for hospital construction (total obligations)	$383,878	$449,987	
Financing:			
Unobligated balance brought forward	−1,558,365		
Unobligated balance no longer available	1,174,487	724,500	
Reappropriation (new obligational authority)		1,174,487	

The Federal Government provides financial assistance to States and Territories to defray part of the costs of surveys and planning with respect to diagnostic and treatment centers, chronic disease hospitals, rehabilitation facilities, and nursing homes. Grants are made on a 50% matching basis in accordance with approved budget presentations. The appropriation expires on June 30, 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$383,878	$449,987	

CONSTRUCTION OF BIOLOGICS STANDARDS LABORATORY BUILDING

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc	$157,193	$135,000	$40,000
2. Construction		2,783,000	384,807
Total obligations	157,193	2,918,000	424,807
Financing:			
Unobligated balance brought forward	−$3,500,000	−$3,342,807	−$424,807
Unobligated balance carried forward	3,342,807	424,807	
Appropriation (new obligational authority)			

The final drawings for a laboratory building and facilities to house the biologics standards activities at the National Institutes of Health, Bethesda, Md., are being completed. Construction will begin during 1958 with completion scheduled for 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$89	$500	$100
06 Printing and reproduction	577	5,000	500
07 Other contractual services	156,527	129,500	39,400
10 Lands and structures		2,783,000	384,807
Total obligations	157,193	2,918,000	424,807

CONSTRUCTION OF SURGICAL FACILITIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc	$73,535	$26,465	$46,000
2. Construction and equipment			1,484,000
Total obligations	73,535	26,465	1,530,000
Financing:			
Unobligated balance brought forward		−1,556,465	−1,530,000
Unobligated balance carried forward	1,556,465	1,530,000	
Appropriation (new obligational authority)	1,630,000		

The final drawings for the surgical facilities are scheduled for completion during the current year. It is estimated that a contract can be awarded early in 1959 and that construction will be completed in about 18 months.

Object Classification

	1957 actual	1958 estimate	1959 estimate
PUBLIC HEALTH SERVICE			
09 Equipment			$130,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel		$100	100
06 Printing and reproduction		500	3,400
07 Other contractual services	$73,535	25,865	55,035
10 Lands and structures			1,341,465
Total, General Services Administration	73,535	26,465	1,400,000
Total obligations	73,535	26,465	1,530,000

BUILDINGS AND FACILITIES, CINCINNATI, OHIO

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Public Health Service buildings	$72,749	$31,124	
2. Design, supervision, etc	1,280		
Total obligations	74,029	31,124	

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$104,779	−$31,124	
Recovery of prior year obligations	−374		
Unobligated balance carried forward	31,124		
Appropriation (new obligational authority)			

This appropriation provided for the installation of a laboratory air-conditioning system and equipment for the pilot plant at the Robert A. Taft Sanitary Engineering Center, Cincinnati, Ohio.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	PUBLIC HEALTH SERVICE			
03	Transportation of things	$142		
07	Other contractual services	4,779		
08	Supplies and materials	11,224		
09	Equipment	9,500	$31,124	
	Total, Public Health Service	25,645	31,124	
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	477		
06	Printing and reproduction	16		
07	Other contractual services	787		
10	Lands and structures	47,104		
	Total, General Services Administration	48,384		
	Total obligations	74,029	31,124	

Construction of Animal Quarters

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc	$56,875	$15,000	
2. Construction	1,126,196	172,929	
Total obligations	1,183,071	187,929	
Financing:			
Unobligated balance brought forward		−187,929	
Unobligated balance carried forward	187,929		
Appropriation (new obligational authority)	1,371,000		

The construction of animal quarters at the National Institutes of Health will be completed during 1958.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06	Printing and reproduction	$1,667	$1,500	
07	Other contractual services	55,208	13,500	
10	Lands and structures	1,126,196	172,929	
	Total obligations	1,183,071	187,929	

Construction of Dental Research Building

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Design, supervision, etc. (total obligations)	$71,129	$40,000	
Financing:			
Unobligated balance no longer available	128,871	88,871	
New obligational authority	200,000	128,871	

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
New obligational authority:			
Appropriation	$200,000		
Reappropriation		$128,871	

Plans and specifications for the dental research building are scheduled for completion during 1958.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06	Printing and reproduction	$4	$3,000	
07	Other contractual services	71,125	37,000	
	Total obligations	71,129	40,000	

Construction of Library Facilities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Design, supervision, etc. (total obligations)	$331,834	$18,166	
Financing:			
Unobligated balance no longer available	18,166		
New obligational authority	350,000	18,166	
New obligational authority:			
Appropriation	$350,000		
Reappropriation		$18,166	

Funds were provided in 1957 for the planning of a building for the National Library of Medicine. The board of regents has selected a site at the National Institutes of Health, Bethesda, Md. Plans and specifications are expected to be completed by the end of 1958; however, construction of this building is being temporarily deferred.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	$106	$100	
06	Printing and reproduction	7	3,000	
07	Other contractual services	331,721	15,066	
	Total obligations	331,834	18,166	

Construction of Research Facilities

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc	$109,315	$17,000	
2. Construction and equipment	1,300,935	89,000	
Total obligations	1,410,250	106,000	
Financing:			
Unobligated balance brought forward	−1,288,708	−201,346	
Recovery of prior year obligations	−322,888		
Unobligated balance carried forward	201,346		
Unobligated balance no longer available		95,346	
Appropriation (new obligational authority)			

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION OF RESEARCH FACILITIES—Continued

Funds remaining available for 1958 will be used to complete additional parking facilities and a waste chemical disposal plant at the National Institutes of Health in Bethesda, Md., which are the final items under this appropriation in construction of the clinical center and related auxiliary structures. The balance unused at the end of 1958 totaling $95,346 will be administratively rescinded.

Object Classification

	1957 actual	1958 estimate	1959 estimate
PUBLIC HEALTH SERVICE			
03 Transportation of things	$13		
07 Other contractual services	11,201		
08 Supplies and materials	821		
09 Equipment	7,102		
Total, Public Health Service	19,137		
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	14	$100	
04 Communication services	193	100	
06 Printing and reproduction	6,328	500	
07 Other contractual services	102,775	16,300	
08 Supplies and materials	5		
09 Equipment	1,235		
10 Lands and structures	1,280,563	89,000	
Total, General Services Administration	1,391,113	106,000	
Total obligations	1,410,250	106,000	

GENERAL OFFICE BUILDING

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Design, supervision, etc. (total obligations)	$171,353	$75,000	
Financing:			
Unobligated balance no longer available	128,647	53,647	
New obligational authority	300,000	128,647	
New obligational authority:			
Appropriation	$300,000		
Reappropriation		$128,647	

Plans and specifications for a general office building at the National Institutes of Health in Bethesda, Md., are expected to be completed in 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	$43	$3,500	
07 Other contractual services	171,310	71,500	
Total obligations	171,353	75,000	

GORGAS MEMORIAL LABORATORY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$147,000		
Appropriation (new obligational authority)	147,000		

GRANTS TO STATES FOR POLIOMYELITIS VACCINATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Grants to States for poliomyelitis vaccination (total obligations)	$28,849,613		
Financing:			
Unobligated balance brought forward	−33,396,029		
Unobligated balance rescinded (70 Stat. 688)	4,000,000		
Unobligated balance no longer available	546,416		
Appropriation (new obligational authority)			

Activities under this appropriation were discontinued upon expiration of the Poliomyelitis Vaccination Assistance Act on June 30, 1957.

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$6,857,679		
11 Grants, subsidies, and contributions	21,991,934		
Total obligations	28,849,613		

ALLOCATIONS OR ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations or allotments from other accounts are shown in the schedules of the parent appropriations, as follows:
"American sections, international commissions," Department of State.
"Army industrial fund."
"Educational exchange fund, payments by Finland, World War I debt," Department of State.
"Farm labor supply revolving fund," Bureau of Employment Security.
"Administration, Ryukyu Islands," Department of the Army.
"Mutual security," funds appropriated to the President.
"Operating expenses," Atomic Energy Commission.
"Plant acquisition and construction," Atomic Energy Commission.
"Operations," Federal Civil Defense Administration.
"Refugee relief," funds appropriated to the President.
"Research and development," Department of the Army.
"Research and development," Department of the Navy.
"Salaries and expenses, Bureau of Prisons," Department of Justice.
"Salaries and expenses, civil defense functions of Federal agencies," Federal Civil Defense Administration.

Public enterprise funds:

OPERATION OF COMMISSARIES, NARCOTIC HOSPITALS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$135,261	$137,701	$137,750
Other expense	57,612	59,359	60,012
Total operating costs	192,873	197,060	197,762
Depreciation included above (−)	−2,955	−2,781	−2,603
Total operating costs, funded	189,918	194,279	195,159
Capital outlay: Purchase of equipment	1,448		1,600
Total program costs, funded	191,366	194,279	196,759
Relation of costs to obligations: Obligations incurred for costs of other years, net	3,013	2,314	1,009
Total program (obligations)	194,379	196,593	197,768
Financing:			
Amounts becoming available: Revenues and receipts:			
Sale of commodities	191,513	196,300	196,800
Other receipts	1,784	1,875	1,900
Total amounts becoming available	193,297	198,175	198,700
Unobligated balance brought forward	18,452	17,370	18,952
Total amounts available	211,749	215,545	217,652
Unobligated balance carried forward	−17,370	−18,952	−19,884
Financing applied to program	194,379	196,593	197,768

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This fund is used to provide canteen items for sale to patients at Fort Worth, Tex., and Lexington, Ky., hospitals (57 Stat. 617). Proceeds of sales are available for replenishing stock and operating expense. The capital investment consists of $10,000 appropriated in 1944 and $1,715 of donated assets. Earnings are retained to meet possible future losses.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Commodities for sale	$19,382	$17,765	$17,914	$16,864
Supplies, deferred charges, etc	2,106	1,991	2,450	2,400
Unpaid undelivered orders	3,262	8,007	9,713	11,822
Total selected resources at end of year	24,750	27,763	30,077	31,086
Selected resources at start of year (−)		−24,750	−27,763	−30,077
Obligations incurred for costs of other years, net		3,013	2,314	1,009

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,448		$1,600
Expense:			
Purchase of commodities for sale	133,644	$137,850	136,700
Other expense	54,657	56,578	57,409
Increase in selected working capital	3,863	2,854	869
Total gross expenditures	193,612	197,282	196,578
Receipts from operations (funds provided):			
Revenue, total receipts from operations	193,297	198,175	198,700
Budget expenditures	315	−893	−2,122

Revenue, Expense, and Retained Earnings

Revenue	$193,297	$198,175	$198,700
Expense	192,873	197,060	197,762
Net operating income	424	1,115	938
Retained earnings, beginning of year	45,155	45,579	46,694
Retained earnings, end of year	45,579	46,694	47,632

Financial Condition

Assets:			
Cash with Treasury	$28,647	$29,540	$31,662
Accounts receivable, net	10,674	9,085	11,335
Commodities for sale	17,765	17,914	16,864
Supplies, deferred charges, etc	1,991	2,450	2,400
Equipment, net	12,161	9,380	8,377
Total assets	71,238	68,369	70,638
Liabilities:			
Current	13,944	9,960	11,291
Government investment:			
Non-interest-bearing capital	11,715	11,715	11,715
Retained earnings	45,579	46,694	47,632
Total Government investment	57,294	58,409	59,347

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$28,962	$28,647	$29,540	$31,662
Obligated balance net:				
Current liabilities	15,054	13,944	9,960	11,291
Unpaid undelivered orders	3,262	8,007	9,713	11,822
Accounts receivable, net (−)	−7,806	−10,674	−9,085	−11,335
Total obligated balance	10,510	11,277	10,588	11,778
Unobligated balance	18,452	17,370	18,952	19,884

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	14	14	14
Full-time equivalent of all other positions	1	1	1
Average number of all employees	14	14	14
Number of employees at end of year	14	14	14
Average GS grade and salary	3.6 $3,721	3.6 $3,736	3.6 $3,792

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$48,429	$48,997	$49,900
Positions other than permanent	1,828	2,007	2,058
Other personal services	648	593	564
Total personal services	50,905	51,597	52,522
02 Travel		100	100
03 Transportation of things	21	45	50
05 Rents and utility services	550	612	615
06 Printing and reproduction	503	875	650
07 Other contractual services	291	395	405
08 Supplies and materials	141,085	139,972	139,775
09 Equipment	1,173		600
11 Grants, subsidies, and contributions		3,239	3,293
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	423	480	480
Subtotal	195,101	197,315	198,490
Deduct quarters and subsistence charges	722	722	722
Total obligations	194,379	196,593	197,768

Intragovernmental funds:

NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND

[National Institutes of Health Management Fund: For the purpose of facilitating the economical and efficient conduct of operations in the National Institutes of Health which are financed by two or more appropriations where the costs of operation are not readily susceptible of distribution as charges to such appropriations, there is hereby established the National Institutes of Health Management Fund. Such amounts as the Director of the National Institutes of Health may determine to represent a reasonable distribution of estimated costs among the various appropriations involved may be advanced each year to this fund and shall be available for expenditure for such costs under such regulations as may be prescribed by said Director, including the operation of facilities for the sale of meals to employees and others at rates to be determined by said Director to be sufficient to cover the cost of such operation and the proceeds thereof shall be deposited to the credit of this fund: *Provided*, That funds advanced to this fund shall be available only in the fiscal year in which they are advanced: *Provided further*, That final adjustments of advances in accordance with actual costs shall be effected wherever practicable with the appropriations from which such funds are advanced.] (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research supporting services	$5,333,167	$6,247,000	$6,347,000
2. Clinical supporting services	6,564,372	7,758,000	7,758,000
3. Business operations	2,458,492	2,892,000	2,899,000
4. Program direction	269,050	275,000	293,000
5. Research planning	154,250	178,000	228,000
6. Review and approval of grants	900,859	1,144,000	1,128,000
7. Cafeteria	320,756	400,000	400,000
Total obligations	16,000,946	18,894,000	19,053,000
Financing:			
Comparative transfers from other accounts	16,000,946		
Advances and reimbursements from—			
Other accounts:			
"General, research and services, National Institutes of Health"		495,000	495,000
"National Cancer Institute"		4,447,000	4,518,000
"Mental health activities"		2,678,000	2,663,000
"National Heart Institute"		3,157,000	3,178,000
"Dental health activities"		499,000	498,000
"Arthritis and metabolic disease activities"		2,726,000	2,773,000
"Allergy and infectious disease activities"		2,068,000	2,096,000
"Neurology and blindness activities"		2,312,600	2,320,600
"Operating expenses," Atomic Energy Commission		70,500	70,500
"Research and development," Department of the Army		21,000	21,000
All other		19,900	19,900
Non-Federal sources (71 Stat. 220)		400,000	400,000
Total financing	16,000,946	18,894,000	19,053,000

The National Institutes of Health management fund was established under authority contained in the Department of Health, Education, and Welfare Appropriation

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PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND—Con.

Act, 1958, to facilitate the efficient conduct of operations of the National Institutes of Health which are financed by two or more appropriations. The activities of the fund are financed primarily from advances and reimbursements from the several institutes. Formulas for determining the contribution from each institute are designed to reflect utilization of services performed by the management fund. Taken into consideration are such factors as use of beds in the clinical center, number of laboratory workers, total personnel, and dollar level of grant or direct operations funds obligated by the institute. A small portion of the funds comes from reimbursements from outside sources, principally cafeteria receipts, and some miscellaneous reimbursements from other Government agencies. The 1959 estimate for these activities holds substantially to the 1958 level of service operations.

The centralized organizations of the National Institutes of Health provide supporting services to all programs as follows:

1. *Research supporting services.*—Provides the central administration and operation of services for the conduct of research activities such as the care and breeding of experimental animals, laboratory equipment design and manufacture and the operation and maintenance of the utility services.

2. *Clinical supporting services.*—Consists of the operation of the 516-bed clinical center together with the laboratory space required for the treatment of research patients.

3. *Business operations.*—Provides the centralized business management and plant safety services to the National Institutes of Health, including financial management; personnel; supply management; transportation; and housekeeping services.

4. *Program direction.*—Provides for the executive direction of the research activities at the National Institutes of Health and fosters the extramural research and other activities at the National Institutes of Health.

5. *Research planning.*—Advises on the development, installation, and maintenance of the intramural scientific research program, and the relationship with related research programs and objectives.

6. *Review and approval of grants.*—Provides for the central administration of the research grant programs through the review of grant applications for eligibility and the formulation of plans, policies, and procedures, governing the administration of the research grant and fellowship programs.

7. *Cafeteria.*—The clinical center cafeteria, operated by the nutrition department, furnishes meals for sale to employees and visitors at rates sufficient to cover the cost thereof. Income and expense for 1957, 1958, and 1959 are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Income from cafeteria sales	$320,756	$400,000	$400,000
Expense:			
Foodstuffs and supplies	157,579	200,000	200,000
Preparation of meals	163,177	200,000	200,000
Total expenses	320,756	400,000	400,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3,132	3,374	3,374
Full-time equivalent of all other positions	55	69	39
Average number of all employees	2,775	3,074	3,087
Number of employees at end of year	3,032	3,361	3,349

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average GS grade and salary	5.1 $4,190	5.3 $4,301	5.3 $4,301
Average salary of ungraded positions	$3,649	$3,769	$3,769
01 Personal services:			
Permanent positions	$11,482,522	$12,956,400	$13,158,400
Positions other than permanent	236,809	323,900	205,900
Other personal services	420,222	439,700	423,100
Total personal services	12,139,553	13,720,000	13,787,400
02 Travel	165,431	237,500	242,500
03 Transportation of things	22,545	32,100	31,600
04 Communication services	126,125	132,700	133,200
05 Rents and utility services	713,869	828,400	908,600
06 Printing and reproduction	77,255	75,700	78,700
07 Other contractual services	360,679	341,600	341,600
08 Supplies and materials	2,027,567	2,338,300	2,326,600
09 Equipment	326,892	343,000	323,900
11 Grants, subsidies, and contributions	46,856	843,600	877,700
13 Refunds, awards, and indemnities	4,323	3,100	3,200
15 Taxes and assessments	18,871	25,900	25,900
Subtotal	16,029,966	18,921,900	19,080,900
Deduct quarters and subsistence charges	29,020	27,900	27,900
Total obligations	16,000,946	18,894,000	19,053,000

SERVICE AND SUPPLY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Supply depot activities:			
Cost of goods sold	$1,893,319	$2,148,326	$2,148,326
Administrative expense	206,309	214,351	215,200
Depreciation	4,942	5,642	5,696
Adjustment of prior year cost	1,093		
Total operating costs	2,105,663	2,368,319	2,369,222
Depreciation included above (−)	−4,942	−5,642	−5,696
Other cost included above not requiring funding (−)	−1,093		
Total, supply depot activities	2,099,628	2,362,677	2,363,526
National Institutes of Health activities:			
Cost of goods sold	1,506,494	1,732,000	1,819,000
Administrative expense	217,794	243,050	257,700
Depreciation	10,807	11,250	12,000
Writeoff of equipment	677		
Total operating costs	1,735,772	1,986,300	2,088,700
Depreciation included above (−)	−10,807	−11,250	−12,000
Other costs included above not requiring funding (−)	−677		
Total, National Institutes of Health activities	1,724,288	1,975,050	2,076,700
Total operating costs, funded	3,823,916	4,337,727	4,440,226
Capital outlay:			
Supply depot activities: Purchase of equipment	4,996	14,500	6,150
National Institutes of Health activities: Purchase of equipment	5,012	9,923	5,000
Total capital outlay	10,008	24,423	11,150
Total program costs, funded	3,833,924	4,362,150	4,451,376
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−32,394	
Obligations incurred for costs of other years, net	38,895		6,000
Total program (obligations)	3,872,819	4,329,756	4,457,376
Financing:			
Amounts becoming available:			
Supply depot activities:			
Revenue and receipts:			
Sale of commodities	2,095,963	2,356,299	2,355,573
Other receipts	12,588	14,149	13,899
Adjustment of prior year revenue	11,062		
National Institutes of Health activities:			
Revenue and receipts:			
Sale of commodities	1,741,307	1,981,300	2,083,400
Other receipts	7,628	5,000	5,300
Adjustment of prior year revenue	1,490		
Total amounts becoming available	3,870,038	4,356,748	4,458,172
Unobligated balance brought forward	552,552	549,771	576,763
Total amounts available	4,422,590	4,906,519	5,034,935
Unobligated balance carried forward	−549,771	−576,763	−577,559
Financing applied to program	3,872,819	4,329,756	4,457,376

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This fund finances certain supplies, services, and equipment for programs of the Service. It is reimbursed from the appropriations supporting the programs benefited (42 U. S. C. 231). Retained earnings amounting to $116,258 as of June 30, 1957, are being retained against the possibility of future losses.

The principal operations under the fund are carried out at (*a*) the medical supply depot at Perry Point, Md., which maintains stocks of drugs and other medical supplies to meet in part the requirements of the Service and requisitions of other Government organizations; and (*b*) the central supply activities at the National Institutes of Health which maintain stores of scientific and other general-use materials and supplies for the laboratories and offices at Bethesda, Md. In contrast to the operations under this revolving fund, the "National Institutes of Health management fund" is an annual account to which appropriated funds are advanced to facilitate the financing of clinical research, research services, administration, and other activities where the costs of operation are not readily susceptible of distribution.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Commodities for sale	$1,220,798	$1,140,247	$1,106,000	$1,111,000
Unpaid undelivered orders	167,645	287,147	289,000	290,000
Supplies inventory	3,298	3,242	3,242	3,242
Total selected resources at end of year	1,391,741	1,430,636	1,398,242	1,404,242
Selected resources at start of year (−)		−1,391,741	−1,430,636	−1,398,242
Costs financed from obligations of other years, net (−)			−32,394	
Obligations incurred for costs of other years, net		38,895		6,000

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Supply depot activities:			
Acquisition of equipment	$4,996	$14,500	$6,150
Expense:			
Purchase of commodities for sale	1,843,063	2,109,755	2,148,326
Other expense	206,309	214,351	215,200
Total, supply depot activities	2,054,368	2,338,606	2,369,676
National Institutes of Health activities:			
Acquisition of equipment	5,012	9,923	5,000
Expense:			
Purchase of commodities for sale	1,476,199	1,736,324	1,824,000
Other expense	217,794	243,050	257,700
Increase in selected working capital		18,072	5,400
Total, National Institutes of Health activities	1,699,005	2,007,369	2,092,100
Gross expenditures	3,753,373	4,345,975	4,461,776
Receipts from operations (funds provided):			
Supply depot activities:			
Revenue	2,108,551	2,369,948	2,369,222
Proceeds from sale of equipment		500	250
Adjustment of prior year revenue	11,062		
Decrease in selected working capital	22,632		
Total, supply depot activities	2,142,245	2,370,448	2,369,472
National Institutes of Health activities:			
Revenue	1,748,935	1,986,300	2,088,700
Adjustment of prior year revenue	1,490		
Decrease in selected working capital	13,115		
Total, National Institutes of Health activities	1,763,540	1,986,300	2,088,700
Total receipts from operations	3,905,785	4,356,748	4,458,172
Budget expenditures	−152,412	−10,773	3,604

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Supply depot activities: Sales program:			
Revenue	$2,108,551	$2,369,948	$2,369,222
Expense	2,104,570	2,368,319	2,369,222
Net operating income, supply depot activities	3,981	1,629	
National Institutes of Health activities:			
Sales program:			
Revenue	1,748,935	1,986,300	2,088,700
Expense	1,735,095	1,986,300	2,088,700
Net operating income, National Institutes of Health activities	13,840		
Nonoperating income or loss (−):			
Loss on writeoff of equipment	−677		
Prior years adjustment	−1,093		
Proceeds from sale of equipment		500	250
Net book value of assets sold		−2,129	−250
Net nonoperating loss (−)	−1,770	−1,629	
Net income for the year	16,051		
Analysis of retained earnings:			
Retained earnings, beginning of year	87,655	116,258	116,258
Adjustment of prior years income	12,552		
Retained earnings, end of year	116,258	116,258	116,258

Financial Condition

Assets:			
Cash with Treasury	$650,013	$660,786	$657,182
Accounts receivable, net	478,623	499,428	507,428
Commodities for sale	1,140,247	1,106,000	1,111,000
Supplies inventory	3,242	3,242	3,242
Equipment, net	129,260	134,662	127,866
Total assets	2,401,385	2,404,118	2,406,718
Liabilities:			
Current	291,718	294,451	297,051
Government investment:			
Non-interest-bearing capital:			
Start of year	1,989,865	1,993,409	1,993,409
Donated capital during year	3,544		
End of year	1,993,409	1,993,409	1,993,409
Retained earnings	116,258	116,258	116,258
Total Government investment	2,109,667	2,109,667	2,109,667

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$497,601	$650,013	$660,786	$657,182
Obligated balance net:				
Current liabilities	267,447	291,718	294,451	297,051
Unpaid undelivered orders	167,645	287,147	289,000	290,000
Accounts receivable, net (−)	−490,043	−478,623	−499,428	−507,428
Total obligated balance	−54,951	100,242	84,023	79,623
Unobligated balance	552,552	549,771	576,763	577,559

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	83	85	85
	Average number of all employees	77	79	79
	Number of employees at end of year	83	86	86
	Average GS grade and salary	4.9 $4,062	5.1 $4,147	5.2 $4,161
	Average salary of ungraded positions	$3,678	$3,734	$3,734
01	Personal services:			
	Permanent positions	$324,295	$341,405	$341,990
	Positions other than permanent	757	800	800
	Other personal services	4,673	4,989	4,991
	Total personal services	329,725	347,194	347,781
02	Travel	2,112	2,100	2,100
03	Transportation of things	50,790	53,500	53,500
04	Communication services	12,039	300	300
05	Rents and utility services	10,856	10,600	10,800
06	Printing and reproduction	308,513	347,167	348,167
07	Other contractual services	332,128	499,142	499,142
08	Supplies and materials	2,616,520	2,935,968	3,071,079

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PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

SERVICE AND SUPPLY FUND—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
09	Equipment	$93,397	$114,000	$105,900
11	Grants, subsidies, and contributions		19,939	20,214
13	Refunds, awards, and indemnities	25	600	
15	Taxes and assessments	551	676	676
	Subtotal	3,756,656	4,331,186	4,459,659
	Deduct quarters and subsistence charges	3,283	3,283	3,283
	Net change in supplies inventory	−56		
	Total accrued expenditures	3,753,317	4,327,903	4,456,376
	Net change in unfilled purchase orders	119,502	1,853	1,000
	Total obligations	3,872,819	4,329,756	4,457,376

WORKING CAPITAL FUND, NARCOTIC HOSPITALS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$93,973	$166,037	$161,916
Industrial expense	385,192	385,653	393,184
Other	22,366	24,775	25,250
Prior year adjustment	211		
Loss from sale of equipment	903		
Net gain from sale of herd	−3,533	−3,517	−3,050
Donated inventories	−491	−500	−700
Total operating costs	498,621	572,448	576,600
Adjustment of cost included above not requiring funding	3,533	3,517	3,050
Depreciation included above (−)	−22,366	−24,775	−25,250
Other costs included above not requiring funding (−)	−903		
Total operating costs, funded	478,885	551,190	554,400
Capital outlay:			
Acquisition of equipment	29,738	12,200	22,900
Property transferred in (−) without charge	−7,885	−500	−700
Total capital outlay, funded	21,853	11,700	22,200
Total program costs, funded	500,738	562,890	576,600
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−6,092		
Obligations incurred for costs of other years, net		22,100	20,222
Total program (obligations)	494,646	584,990	596,822
Financing:			
Amounts becoming available: Revenue and receipts:			
Disposition of dairy herd	5,160	3,000	2,800
Sale of fixed assets	160		
Sale of commodities	484,264	598,270	609,000
Other receipts	1,946	2,100	2,200
Total amounts becoming available	491,530	603,370	614,000
Unobligated balance brought forward	31,114	27,998	46,378
Total amounts available	522,644	631,368	660,378
Unobligated balance carried forward	−27,998	−46,378	−63,556
Financing applied to program	494,646	584,990	596,822

Farms and other industries operated at the Fort Worth, Tex., and Lexington, Ky., narcotic hospitals provide patients with occupational outlets as a part of their therapeutic rehabilitation. Useful products are made for sale to the hospitals and other Government institutions (42 U. S. C. 258). The non-interest-bearing capital at the end of 1959 is estimated at $518,121, consisting of $134,300 in appropriation, $58,567 in donated assets. Earnings are retained to meet possible future losses.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Commodities for sale	$161,369	$150,601	$166,407	$182,173
Supplies, deferred charges, etc	92,034	85,963	86,898	93,148
Work in process		10,884	14,960	16,960
Unpaid undelivered orders	13,725	13,588	14,871	11,077
Total selected resources at end of year	267,128	261,036	283,136	303,358
Selected resources at start of year (−)		−267,128	−261,036	−283,136
Costs financed from obligations of other years, net (−)		−6,092		
Obligations incurred for costs of other years, net			22,100	20,222

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$21,853	$11,700	$22,200
Expense:			
Purchase of commodities for manufacture or sale	94,089	185,919	179,682
Other expense	385,192	385,653	393,184
Adjustment of prior year expense	211		
Increase in selected working capital	15,552	4,915	14,857
Total gross expenditures	516,897	588,187	609,923
Receipts from operations (funds provided):			
Revenue	486,210	600,370	611,200
Undistributed receipts:			
Proceeds from sale of fixed assets	160		
Disposition of dairy herd	5,160	3,000	2,800
Donated working capital	491	500	700
Total receipts from operations	492,021	603,870	614,700
Budget expenditures	24,876	−15,683	−4,777

Revenue, Expense, and Retained Earnings

Revenue	$486,210	$600,370	$611,200
Expense	501,531	576,465	580,350
Net operating income or loss (−)	−15,321	23,905	30,850
Nonoperating income or loss (−):			
Proceeds from sale of dairy herd	5,160	3,000	2,800
Net book value on sales	−1,627	517	250
Net gain from sales	3,533	3,517	3,050
Proceeds from sale of equipment	160		
Net book value of assets sold	−1,063		
Net loss from sale	−903		
Prior year adjustment	−211		
Net nonoperating income or loss (−)	2,419	3,517	3,050
Net income or loss (−) for the year	−12,902	27,422	33,900
Retained earnings, beginning of year	276,834	263,932	291,354
Retained earnings, end of year	263,932	291,354	325,254

Financial Condition

Assets:			
Cash with Treasury	$28,648	$44,331	$49,108
Accounts receivable, net	75,837	67,072	70,572
Commodities for sale	150,601	166,407	182,173
Work in process	10,884	14,960	16,960
Supplies, deferred charges, etc	85,963	86,898	93,148
Equipment, net	166,565	154,007	151,207
Total assets	518,498	533,675	563,168
Liabilities:			
Current	62,899	50,154	45,047
Government investment:			
Non-interest-bearing capital:			
Start of year	183,782	191,667	192,167
Donated assets	7,885	500	700
End of year	191,667	192,167	192,867
Retained earnings	263,932	291,354	325,254
Total Government investment	455,599	483,521	518,121

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Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$53,524	$28,648	$44,331	$49,108
Obligated balance, net: Current liabilities	36,416	62,899	50,154	45,047
Unpaid undelivered orders	13,725	13,588	14,871	11,077
Accounts receivable, net and cash in transit (−)	−27,731	−75,837	−67,072	−70,572
Total obligated balance	22,410	650	−2,047	−14,448
Unobligated balance	31,114	27,998	46,378	63,556

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	56	52	52
Full-time equivalent of all other positions	1	1	1
Average number of all employees	52	49	49
Number of employees at end of year	47	49	49
Average GS grade and salary	6.6 $4,768	6.6 $4,824	6.7 $4,936
Average salary of ungraded positions	$4,870	$4,783	$4,783
01 Personal services: Permanent positions	$243,678	$229,579	$235,512
Positions other than permanent	2,228	3,278	2,520
Other personal services	5,255	5,917	6,164
Total personal services	251,161	238,774	244,196
02 Travel	2,570	2,710	2,485
03 Transportation of things	4,757	4,500	4,700
04 Communication services	1,382	550	575
05 Rents and utility services	9,167	10,025	9,775
06 Printing and reproduction	14	400	400
07 Other contractual services	10,418	9,000	9,500
08 Supplies and materials	199,537	282,320	282,680
09 Equipment	18,191	24,200	29,300
11 Grants, subsidies, and contributions		14,525	15,165
13 Refunds, awards, and indemnities	460	650	700
15 Taxes and assessments	150	290	300
Subtotal	497,807	587,944	599,776
Deduct quarters and subsistence charges	3,161	2,954	2,954
Total obligations	494,646	584,990	596,822

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Basic health services	$172,348	$194,000	$159,000
2. Grants and special studies, Territory of Alaska	22,078	37,400	26,000
3. Control of tuberculosis		40,000	40,000
4. Communicable disease activities	352,981	260,000	260,000
5. Sanitary engineering activities	701,621	844,000	593,200
6. Hospital construction services	102		
7. Foreign quarantine activities	32,288	150,000	150,000
8. Indian health activities	555,110	740,000	740,000
9. Mental health activities	42,632	53,500	36,000
10. National Heart Institute	93		
11. Dental health activities		39,000	
12. Arthritis and metabolic disease activities	236,733	398,000	395,000
13. Allergy and infectious disease activities	49,436	18,000	
14. Salaries and expenses	17,612	45,000	45,000
Total obligations	2,183,034	2,818,900	2,444,200
Financing:			
Advances and reimbursements from—			
Other accounts	2,168,761	2,647,100	2,290,900
Non-Federal sources	14,273	171,800	153,300
Total financing	2,183,034	2,818,900	2,444,200

Note.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U. S. C. 481 (c)), for personnel detailed to the Juvenile Court, District of Columbia, in accordance with provisions of the annual District of Columbia appropriation act, and for fees for special inspection services, Third Supplemental Appropriation Act, 1957, Public Law 85-58.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	204	247	204
Full-time equivalent of all other positions	44	45	38
Average number of all employees	216	265	229
Number of employees at end of year	258	283	274
Average GS grade and salary	6.6 $5,091	6.5 $5,064	6.6 $5,172
Average salary of ungraded positions	$5,131	$5,234	$5,234
01 Personal services: Permanent positions	$1,039,790	$1,277,411	$1,102,662
Positions other than permanent	295,019	338,206	290,720
Other personal services	20,948	179,049	178,049
Total personal services	1,355,757	1,794,666	1,571,431
02 Travel	287,263	322,906	252,158
03 Transportation of things	33,165	33,300	30,800
04 Communication services	5,554	12,082	11,232
05 Rents and utility services	2,682	5,500	2,800
06 Printing and reproduction	6,323	12,600	11,900
07 Other contractual services	30,479	71,224	40,814
08 Supplies and materials	392,964	462,850	439,600
09 Equipment	62,488	45,300	29,200
11 Grants, subsidies, and contributions		48,413	48,590
15 Taxes and assessments	6,359	10,059	5,675
Total obligations	2,183,034	2,818,900	2,444,200

SAINT ELIZABETHS HOSPITAL

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary for the maintenance and operation of the hospital, including *purchase of one passenger motor vehicle,* clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention and treatment of mental illness, [$3,085,800,] *$3,154,000. (24 U. S. C. 161–221; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$3,085,800** Estimate 1959, **$3,154,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Operation and maintenance of hospital	$14,411,449	$15,308,695	$15,616,730
2. Operation of farm	33,267	35,145	35,205
3. Operation of cafeteria	90,227	100,720	100,845
4. Training program	210,344	224,940	266,220
Total obligations	14,745,287	15,669,500	16,019,000
Financing:			
Advances and reimbursements from—			
Other accounts	−989,287	−1,047,462	−1,071,070
Non-Federal sources (32 D. C. Code 401-416)	−10,897,495	−11,536,238	−11,793,930
Unobligated balance no longer available	11,495		
Appropriation (new obligational authority)	2,870,000	3,085,800	3,154,000

The hospital provides care and treatment for the mentally ill who are either beneficiaries of the Federal Government or residents of the District of Columbia which reimburses the hospital for its residents.

Obligations for 1959 are estimated to be $16,019,000, an increase of $349,500 compared with 1958.

1. *Operation and maintenance of hospital.*—This activity covers care and treatment of the mentally ill, research on the causes, prevention, and treatment of mental illness, maintenance of hospital buildings, procurement of supplies and materials, and administrative services.

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SAINT ELIZABETHS HOSPITAL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

AVERAGE DAILY PATIENT LOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Federal beneficiaries	1,838	1,863	1,863
District of Columbia residents	5,156	5,167	5,167
Total	6,994	7,030	7,030

2. *Operation of farm.*—The hospital farm provides occupational therapy benefits for patients. The value of produce usually exceeds the cost of operation.

3. *Operation of cafeteria.*—The hospital operates a cafeteria for employees and others, and sells meals at not less than cost. Proceeds are credited to the appropriation.

4. *Training program.*—The training program provides a source for medical and nursing staff recruitment by training interns, residents in psychiatry, student nurses, and other groups concerned with care and treatment of psychiatric patients. The number of trainees is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Interns and other postgraduates	49	50	62
Student nurses	75	90	90

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2,717	2,717	2,773
Full-time equivalent of all other positions	72	77	89
Average number of all employees	2,679	2,697	2,740
Number of employees at end of year	2,753	2,773	2,816
Average GS grade and salary	4.1 $4,106	4.5 $4,166	4.5 $4,195
Average salary of ungraded positions	$3,572	$3,591	$3,606
01 Personal services:			
Permanent positions	$10,303,055	$10,484,370	$10,684,270
Positions other than permanent	17,025	17,025	17,025
Other personal services	710,757	682,775	725,030
Total personal services	11,030,837	11,184,170	11,426,325
02 Travel	2,465	2,450	2,450
03 Transportation of things	3,058	3,100	3,100
04 Communication services	15,699	16,500	16,500
05 Rents and utility services	125,454	126,200	126,200
06 Printing and reproduction	14,937	14,950	14,950
07 Other contractual services	104,045	107,600	108,420
08 Supplies and materials	3,341,010	3,437,720	3,511,750
09 Equipment	158,839	210,000	210,000
11 Grants, subsidies, and contributions		630,000	668,170
13 Refunds, awards, and indemnities	7,120	7,100	2,300
15 Taxes and assessments	6,462	4,400	4,400
Subtotal	14,809,926	15,744,190	16,094,565
Deduct quarters, subsistence, and laundry charges	64,639	74,690	75,565
Total obligations	14,745,287	15,669,500	16,019,000

MAJOR REPAIRS AND PRESERVATION OF BUILDINGS AND GROUNDS

[Major repairs and preservation of buildings and grounds:] For miscellaneous construction, alterations, repairs, and equipment, on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction, [$55,000] *$87,000,* to remain available until June 30, [1959: *Provided,* That any part of this amount may be transferred to the General Services Administration] *1960. (24 U. S. C. 161–221; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$55,000** Estimate 1959, **$87,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Building repairs and improvements	$359,186	$39,232	$52,000
2. Ground maintenance and improvements	99,795	262	
3. Utility facilities, repairs, and improvements	5,713	89,612	35,000
Total obligations	464,694	129,106	87,000
Financing:			
Unobligated balance brought forward	−$301,394	−$76,022	
Unobligated balance carried forward	76,022		
Unobligated balance no longer available	30,678	1,916	
Appropriation (new obligational authority)	270,000	55,000	$87,000

This appropriation finances major repairs, permanent improvements, or additions to buildings, grounds, and utilities of the hospital. Funds for the larger projects are transferred to the General Services Administration.

1. *Building repairs and improvements.*—Funds requested in 1959 will provide for replacement of the roof on the center building.

3. *Utility facilities, repairs, and improvements.*—Funds are requested for rewiring and extension of electrical facilities in patient buildings.

Object Classification

	1957 actual	1958 estimate	1959 estimate
SAINT ELIZARETHS HOSPITAL			
07 Other contractual services	$39,858	$10,505	$52,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	63		
04 Communication services	3		
06 Printing and reproduction	1,810	700	500
07 Other contractual services	35,907	12,462	34,500
08 Supplies and materials	827		
10 Lands and structures	386,226	105,439	
Total, General Services Administration	424,836	118,601	35,000
Total obligations	464,694	129,106	87,000

CONSTRUCTION, CONTINUED TREATMENT BUILDING

For expenses necessary for the preparation of preliminary plans for a continued treatment building at Saint Elizabeths Hospital, $125,000, to remain available until June 30, 1960.

Estimate 1959, **$125,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Design, supervision, etc			$125,000
Financing:			
Appropriation (new obligational authority)			125,000

Funds are requested for preparation of preliminary plans for a 450-bed treatment building to replace three smaller obsolete treatment facilities, constructed during the period 1853–72 and now structurally and physically inadequate to present-day requirements for effective treatment of psychiatric patients.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction			$3,000
07 Other contractual services			122,000
Total obligations			125,000

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Construction and Equipment, Treatment and Cafeteria Building

[Construction, treatment and cafeteria building: For expenses necessary for the preparation of plans and specifications for a treatment and cafeteria building at Saint Elizabeths Hospital, $180,000, to remain available until June 30, 1959: *Provided*, That any part of this amount may be transferred to General Services Administration.] *(24 U. S. C. 161–221; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$180,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Design, supervision, etc. (total obligations)		$180,000	
Financing:			
Appropriation (new obligational authority)		180,000	

Plans and specifications for a new 250-bed treatment and cafeteria building are being prepared with funds appropriated in 1958. The proposed building will replace an antiquated treatment building constructed in 1871 which is now structurally and physically inadequate to present-day requirements. The proposed building will also provide food service facilities for two adjacent treatment buildings now lacking facilities of this type.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction		$7,500	
07 Other contractual services		172,000	
08 Supplies and materials		500	
Total obligations		180,000	

Saint Elizabeths Hospital Miscellaneous Construction Accounts

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Building for storeroom, etc."	$67	$146	
2. "Construction and equipment of treatment building"	115,720	147,439	
3. "Construction and equipment, maximum security building"	6,529,364	964,636	
Total obligations	6,645,151	1,112,221	
Financing:			
Unobligated balance brought forward	−263,517	−1,112,221	
Recovery of prior year obligations	−195		
Unobligated balance carried forward	1,112,221		
Unobligated balance no longer available	340		
Appropriation (new obligational authority) "Construction and equipment, maximum security building"	7,494,000		

Object Classification

	1957 actual	1958 estimate	1959 estimate
SAINT ELIZABETHS HOSPITAL			
09 Equipment	$7,144	$42,856	
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	377	600	
03 Transportation of things	345	300	
06 Printing and reproduction	12,605	6,000	
07 Other contractual services	111,678	100,146	
08 Supplies and materials	8	100	
09 Equipment	2,462	530,000	
10 Lands and structures	6,510,532	432,219	
Total, General Services Administration	6,638,007	1,069,365	
Total obligations	6,645,151	1,112,221	

SOCIAL SECURITY ADMINISTRATION

Current authorizations:

Limitation on Salaries and Expenses, Bureau of Old-Age and Survivors Insurance

(Trust fund)

[Salaries and expenses, Bureau of Old-Age and Survivors Insurance:] For necessary expenses, not more than [$130,000,000] *$133,300,000* may be expended from the Federal old-age and survivors insurance trust fund: *Provided*, That such amounts as are required shall be available to pay the cost of necessary travel incident to medical examinations for verifying disabilities of individuals who file applications for disability determinations under title II of the Social Security Act, as amended.

Advances to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, advances to States under section 221 (e) of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary from the above authorization may be expended from the Federal old-age and survivors insurance trust fund. *(42 U. S. C. 401–422; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Maintenance of earnings accounts	$21,013,598	$23,395,306	$23,348,205
2. Processing old-age and survivors insurance claims	57,966,006	51,417,845	53,679,916
3. Maintenance of old-age and survivors insurance beneficiary rolls	15,134,236	17,491,382	19,330,474
4. Processing disability claims and maintaining beneficiary rolls	14,659,251	22,550,978	19,653,967
5. Hearings and appeals	967,880	1,667,446	2,240,182
6. Actuarial services	95,173	103,136	108,528
7. Administration	11,576,842	13,373,907	14,938,728
Total obligations	121,412,986	130,000,000	133,300,000
Financing:			
Unobligated balance no longer available	87,014		
Limitation	121,500,000	130,000,000	133,300,000

The old-age and survivors insurance program provides protection to over 90% of the total labor force and their families against the loss of earnings because of old age, disability, and death. Tax contributions from employers, employees, the self-employed, and members of the Armed Forces are deposited in the Federal Old-Age and Survivors Insurance and Federal Disability Insurance trust funds, out of which benefit payments and administrative costs are paid.

New estimates of the volume of work to be received in 1958 indicate the need for a supplemental appropriation of $5,690,000, as shown below. The volume of work appearing under the activities below reflects the new estimates; however, the amounts shown for 1958 in the program and financing schedule do not provide for financing this additional work.

1. *Maintenance of earnings accounts.*—Eligibility for insurance benefits and the amount of benefit payments are based on earnings of individuals which are recorded by the Bureau. Recordkeeping work depends primarily upon the level of employment. The estimated volume for 1958 and 1959 reflects a continued increase in employment and consequently, an increase in the number of reports.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Earnings items received	230,368,278	247,457,394	268,820,000	275,793,000

2. *Processing old-age and survivors insurance claims.*—Prospective beneficiaries file claims in district offices located in more than 500 cities throughout the country. When a claim is approved the Treasury Department is authorized to issue benefit checks. The 1958 estimated workload is lower than 1957 because of (*a*) the large non-

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE—Continued

recurring volume of work in 1957 which resulted from the reduction in the retirement age for women, and (*b*) a large decrease in the number of farm claims as compared with 1957. The claims estimate for 1959 reflects a more normal level of work.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Old-age and survivors insurance claims:				
Received	1,936,928	3,335,782	2,330,000	2,276,000
Processed	1,925,848	3,318,039	2,335,270	2,280,500

3. *Maintenance of old-age and survivors insurance beneficiary rolls.*—The beneficiary rolls require constant revision so that benefit checks may be mailed promptly each month to beneficiaries whose entitlement continues, and so that checks may be discontinued when entitlement ceases. The number of beneficiaries added to the rolls in 1957 increased 23%. The number to be added in 1958 will continue at a high rate because of the heavy volume of claims processed. The estimate for 1959 returns to the normal long-term growth inherent in the program. Benefit payments will continue to rise with increasing numbers of beneficiaries and higher average benefits.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Old-age and survivors insurance beneficiaries on roll at end of year	8,673,545	10,654,574	11,826,000	12,749,000
Old-age and survivors insurance benefit payments (in millions)	$5,361	$6,515	$7,888	$8,500

4. *Processing disability claims and maintaining beneficiary rolls.*—Disability claims (either to prevent the period of disability from reducing future benefits or for the payment of monthly benefits) are received in more than 500 district offices. Determination of the existence of a disability is made in most cases by State agencies subject to review by the Bureau to assure uniform administration among States. July 1957 was the first month for which disability benefits were payable. Hence, beginning with 1958, the Bureau has the additional function of recertifying monthly entitlement to disability insurance benefits.

The disability claims estimate for 1959 reflects those anticipated during the first year in which applicants will not be able to establish a period of disability retroactively for more than a year. Prior to 1959 a disability may be established back to the date of onset.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Disability claims:				
Received	272,285	319,357	375,000	205,000
Processed	282,025	292,547	389,220	222,230
Disability beneficiaries on roll at end of year	-------	-------	200,000	263,000
Disability benefit payments (in millions)	-------	-------	$175	$215

5. *Hearings and appeals.*—Individuals whose claims are disallowed have the right to appeal. Appeals on disability claims have increased the complexity of the hearings and appeals activity and accounts for the sharp increase in volume of cases over prior years. Inasmuch as staffing has not kept pace with workload receipts, large pending backlogs will be carried forward from 1957 into 1958 and 1959.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Appeals cases:				
Received	5,418	12,745	16,185	15,720
Processed	4,275	6,340	15,520	16,275

6. *Actuarial services.*—Actuarial studies and estimates are prepared for long-range program planning.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	21,198	21,773	21,493
	Full-time equivalent of all other positions	140	12	3
	Average number of all employees	19,912	21,275	21,187
	Number of employees at end of year	21,471	21,004	21,118
	Average GS grade and salary	5.3 $4,308	5.6 $4,439	5.8 $4,542
01	Personal services:			
	Permanent positions	$84,996,165	$93,619,347	$95,768,849
	Positions other than permanent	386,870	51,472	22,544
	Other personal services	12,471,285	2,137,530	1,703,302
	Total personal services	97,854,320	95,808,349	97,494,695
02	Travel	2,572,492	2,795,331	2,725,169
03	Transportation of things	543,151	502,671	442,047
04	Communication services	1,748,552	1,730,087	1,828,771
05	Rents and utility services	7,535,229	9,667,055	10,529,752
06	Printing and reproduction	1,819,922	1,271,645	1,629,759
07	Other contractual services	846,108	991,862	983,757
	Advances to States	4,457,053	8,694,790	8,500,000
08	Supplies and materials	1,907,482	1,294,623	1,545,344
09	Equipment	2,058,075	1,323,710	1,387,652
11	Grants, subsidies, and contributions	-------	5,900,965	6,216,499
13	Refunds, awards, and indemnities	44,358	973	1,123
15	Taxes and assessments	26,244	17,939	15,432
	Total obligations	121,412,986	130,000,000	133,300,000

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

(Trust fund)

[Construction, Bureau of Old-Age and Survivors Insurance: For an additional amount for "Construction, Bureau of Old-Age and Survivors Insurance" for construction, of an office building and appurtenant facilities, including acquisition of land, $5,710,000, to be derived from the Federal Old-Age and Survivors Insurance Trust Fund which, together with sums heretofore appropriated for these purposes, shall establish a limitation of cost of $31,080,000: *Provided*, That the established limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in construction costs generally dating from October 1, 1956, as determined by the Administrator, General Services Administration, and the amount to be derived from the aforesaid trust fund shall be increased or decreased accordingly: *Provided further*, That the immediately preceding proviso shall be effective only if a contract for construction is executed on or before December 1, 1957.] (*42 U. S. C. 401–422; Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc.	$7,464	$190,000	$193,000
2. Construction	54,160	26,410,000	2,350,000
Total obligations	61,624	26,600,000	2,543,000
Financing:			
Unobligated balance brought forward	−24,491,787	−24,430,163	−3,540,163
Unobligated balance carried forward	24,430,163	3,540,163	997,163
Limitation	-------	5,710,000	-------

Construction contracts were signed on October 31, 1957, for an office building for the Bureau of Old-Age and Survivors' Insurance in Baltimore County, Md. The Congress has authorized the use of $31,080,000 from the trust fund. Completion is expected by January 1960.

Object Classification

		1957 actual	1958 estimate	1959 estimate
02	Travel	$5	$1,000	$1,000
06	Printing and reproduction	394	35,000	5,000
07	Other contractual services	61,225	189,000	187,000
09	Equipment	-------	-------	700,000
10	Lands and structures	-------	26,375,000	1,650,000
	Total obligations	61,624	26,600,000	2,543,000

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GRANTS TO STATES FOR PUBLIC ASSISTANCE

[Grants to States for public assistance:] For grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as authorized in titles I, IV, X, and XIV of the Social Security Act, as amended (42 U. S. C., ch. 7, subchs. I, IV, X, and XIV), [$1,600,000,000] *$1,806,400,000,* of which such amount as may be necessary shall be available for grants for any period in the prior fiscal year subsequent to March 31 of that year. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$1,600,000,000** Estimate 1959, **$1,806,400,000**
Appropriated (adjusted) 1958, **$1,721,332,027**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
State expenditures:			
1. Payments to recipients:			
(*a*) Old-age assistance	$956,012,510	$948,000,000	$1,026,100,000
(*b*) Aid to dependent children	411,729,338	417,200,000	492,900,000
(*c*) Aid to the blind	38,566,422	41,200,000	43,900,000
(*d*) Aid to the permanently and totally disabled	97,255,297	106,100,000	136,000,000
Total payments to recipients	1,503,563,567	1,512,500,000	1,698,900,000
2. State and local administration:			
(*a*) Old-age assistance	53,173,397	51,650,000	60,000,000
(*b*) Aid to dependent children	38,282,901	37,125,000	46,100,000
(*c*) Aid to the blind	3,005,843	2,975,000	3,700,000
(*d*) Aid to the permanently and totally disabled	11,131,418	12,250,000	15,200,000
Total, State and local administration	105,593,559	104,000,000	125,000,000
Total for all programs	1,609,157,126	1,616,500,000	1,823,900,000
Collections and adjustments during year	−18,282,563	−16,500,000	−17,500,000
Amount of 1958 appropriation used to complete the 1957 requirements		−11,361,101	
Adjustments and difference between State expenditures and Federal grants advanced to States	−4,513,462		
Obligations for grants to States for fiscal year	1,586,361,101	1,588,638,899	1,806,400,000
Advances to States from 1958 appropriation to complete the 1957 requirements	−11,361,101	11,361,101	
Total obligations against appropriation	1,575,000,000	1,600,000,000	1,806,400,000
Amount obligated in prior year for grants chargeable to appropriation for current year	−340,275,877	−328,667,973	−450,000,000
Amount obligated in current year for grants chargeable to appropriation for subsequent year	328,667,973	450,000,000	450,000,000
Total obligations	1,563,392,096	1,721,332,027	1,806,400,000
Financing:			
New obligational authority	1,563,392,096	1,721,332,027	1,806,400,000
New obligational authority:			
Appropriation	$1,575,000,000	$1,600,000,000	$1,806,400,000
Appropriation available from subsequent year	328,667,973	450,000,000	450,000,000
Appropriation available in prior year	−340,275,877	−328,667,973	−450,000,000
Appropriation (adjusted)	1,563,392,096	1,721,332,027	1,806,400,000

Grants for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled are made to States that have plans for these programs approved by the Department of Health, Education, and Welfare. Fifty-three jurisdictions including all the States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, have approved plans for old-age assistance, aid to dependent children, and aid to the blind; and in 1959, 48 jurisdictions will have approved plans for aid to the permanently and totally disabled.

The Social Security Act amendments of 1956 increased the Federal contribution to assistance expenditures in all jurisdictions. This increase, effective for 9 months of 1957, was applicable to the Federal share of both money payments to recipients, and payments to vendors for medical and remedial care. For Puerto Rico and the Virgin Islands, the annual amount of Federal funds that can be made available was increased by 25%. For the remaining 51 jurisdictions, the maximums on individual payments for the needy, aged, blind, and disabled were raised from $55 to $60, and the Federal share of assistance payments was increased from four-fifths of the first $25 per recipient to four-fifths of the first $30 per recipient plus half the balance within the maximum. In aid to dependent children, the maximums were raised from $30 to $32 for the first child and the needy relative and from $21 to $23 for each additional child in the same family; the Federal share was increased from four-fifths of the first $15 per recipient to fourteen-seventeenths of the first $17 plus half the balance within the maximums.

Effective July 1, 1957, the States are permitted a choice of (1) continuing the above money-payment formula for computing the Federal share of money payments and of vendor medical payments; or (2) using this formula to compute the Federal share of money payments only and a separate formula to compute the Federal share of vendor medical payments. Under the separate computation the Federal share of payments to vendors is half the total amounts expended up to an average of $6 per adult and $3 per child.

For 1959 the total amount of Federal, State, and local expenditures for assistance and administration is estimated at $3,276,100,000, of which $1,823,900,000 represents the Federal share. The appropriation request of $1,806,400,000 is $17,500,000 less than the estimated Federal share, because the States will have available for expenditures $17,500,000 representing the Federal share of collections and adjustments for prior years. Of the total Federal share, $1,086,100,000 is for old-age assistance, $539,000,000 for aid to dependent children, $47,600,000 for aid to the blind, and $151,200,000 for aid to the permanently and totally disabled.

Based on the most recent program trends and the anticipated full-year effect of recent amendments to the public assistance titles, it is estimated that a supplemental appropriation of $170,600,000 will be required for 1958 in addition to the $1,600,000,000 already appropriated.

The appropriation request of $1,806,400,000 for 1959 is $35,800,000 more than the total appropriations for 1958. Since approximately $11,400,000 of the supplemental request for 1958 is due to the fact that this amount was needed to complete the 1957 requirements, the amount required for 1959 actually represents an increase of $47,200,000 over the amount required for 1958. Of this, it is anticipated that $21,700,000 is due to an increase in average monthly payments under all programs; $17,500,000, to an increase in the number of recipients under all programs except old-age assistance; and $8,000,000, to an increase in the cost of State and local administration.

The figures for 1958 used in the tables appearing under the activities below include that portion of the supplemental of $170,600,000 needed for 1958 requirements; the figures shown in the program and financing schedule include only the $1,600,000,000 already appropriated.

1. *Payments to recipients—(a) Old-age assistance.*—The average number of recipients per month for 1959 is estimated at 0.8% fewer than was estimated for 1958. The estimated average monthly payment is $1.50 more than the estimate for 1958.

	1957 actual	*1958 estimate*	*1959 estimate*
Average number of recipients per month	2,511,242	2,495,000	2,475,000
Average monthly payment	$57.19	$61.00	$62.50
Total expenditures for assistance (Federal, State, and local)	$1,723,362,264	$1,826,300,000	$1,856,200,000
Federal share	$956,012,510	$1,022,500,000	$1,026,100,000

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR PUBLIC ASSISTANCE—Continued

(*b*) *Aid to dependent children.*—The average number of persons to receive assistance per month for 1959 is 3% higher than is estimated for 1958. The estimated average monthly payment per person is $0.43 more than the estimate for 1958.

	1957 actual	*1958 estimate*	*1959 estimate*
Average number of recipients per month:			
Families	623,147	661,000	681,000
Children	1,751,088	1,857,000	1,913,000
Persons	2,296,159	2,435,000	2,508,000
Average monthly payment per person	$25.41	$26.81	$27.24
Total expenditures for assistance (Federal, State, and local)	$700,267,680	$783,600,000	$819,800,000
Federal share	$411,729,338	$471,700,000	$492,900,000

(*c*) *Aid to the blind.*—The average number of recipients per month for 1959 is estimated at 2.4% more than was estimated for 1958. The estimated average monthly payment is $0.97 more than the estimate for 1958.

	1957 actual	*1958 estimate*	*1959 estimate*
Average number of recipients per month	107,311	109,700	112,300
Average monthly payment	$62.60	$65.70	$66.67
Total expenditures for assistance (Federal, State, and local)	$80,609,791	$86,500,000	$89,900,000
Federal share	$28,566,422	$42,400,000	$43,900,000

(*d*) *Aid to the permanently and totally disabled.*—The average monthly number of recipients is estimated to be 8.7% more than for 1958. The estimated average payment for 1959 is $1.29 more than that for 1958.

	1957 actual	*1958 estimate*	*1959 estimate*
Average number of recipients per month	271,119	312,300	339,500
Average monthly payment	$58.04	$61.93	$63.22
Total expenditures for assistance (Federal, State, and local)	$188,842,749	$232,000,000	$257,500,000
Federal share	$97,255,297	$123,100,000	$136,000,000

2. *State and local administration.*—The grants to States include 50% of the administrative costs that are found by the Department of Health, Education, and Welfare to be necessary for the proper and efficient administration of the State public assistance programs. The Federal share is for the salaries and expenses of about 53,000 State and local personnel.

	1957 actual	*1958 estimate*	*1959 estimate*
(*a*) Old-age assistance	$107,900,870	$115,100,000	$121,000,000
(*b*) Aid to dependent children	77,183,268	86,700,000	92,800,000
(*c*) Aid to the blind	6,682,844	7,300,000	8,200,000
(*d*) Aid to the permanently and totally disabled	22,326,884	27,300,000	30,700,000
Total expenditures (Federal, State, and local)	214,093,866	236,400,000	252,700,000
Federal share	105,593,559	117,000,000	125,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$1,563,392,096	$1,721,332,027	$1,806,400,000

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE

[Salaries and expenses, Bureau of Public Assistance:] For expenses necessary for the Bureau of Public Assistance, [$1,900,000] *$2,040,000. (42 U. S. C., ch. 7, subchs. I, IV, X, and XIV, and sec. 903; Federal Civil Defense Act of 1950, as amended; Department of Health, Education, and Welfare Appropriation Act, 1958.)*

Appropriated 1958, **$1,900,000** Estimate 1959, **$2,040,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Program policies and standards	$363,551	$419,072	$446,860
2. Review State plans and grants, evaluate State operations	1,011,486	1,109,279	1,146,240
3. Collect and interpret statistics	195,506	207,272	222,198
4. Emergency civil defense programs			60,000
5. Administration	158,636	164,377	164,702
Total obligations	1,729,179	1,900,000	2,040,000
Financing:			
Unobligated balance no longer available	18,821		
Appropriation (new obligational authority)	1,748,000	1,900,000	2,040,000

The Bureau administers Federal grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled. This program is primarily concerned with the development, maintenance, and improvement of sound public welfare programs and the achievement of self-help for needy recipients.

1. *Program policies and standards.*—Interpretive statements, other written materials and specialized technical assistance are provided to assist State agencies.

2. *Review State plans and grants, evaluate State operations.*—Each of the 207 State public assistance programs involves: approving State plans and amendments thereto; making grants; reviewing State and local operations to insure proper expenditure of Federal funds; and providing general consultative services to State agencies to improve administration and quality of service.

3. *Collect and interpret statistics.*—Information developed cooperatively with State agencies is used by the Bureau and the States in formulating policies, planning program content, setting standards, justifying appropriation requests, making legislative recommendations, and guiding administrative action.

4. *Emergency civil defense programs.*—Performance of delegation to assist State and local jurisdictions in implementing plans for emergency financial assistance and clothing to civilians injured or in want as a result of attack.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	266	263	288
	Full-time equivalent of all other positions	3	3	3
	Average number of all employees	247	254	273
	Number of employees at end of year	259	255	279
	Average GS grade and salary	8.4 $6,130	8.6 $6,293	8.6 $6,343
01	Personal services:			
	Permanent positions	$1,503,660	$1,578,000	$1,688,100
	Positions other than permanent	10,918	13,000	13,000
	Other personal services	19,760	26,000	26,600
	Total personal services	1,534,338	1,617,000	1,727,700
02	Travel	100,292	100,000	108,600
03	Transportation of things	1,971	3,000	3,000
04	Communication services	20,863	21,000	22,300
05	Rents and utility services	600	700	1,150
06	Printing and reproduction:			
	Printing	10,917	13,000	14,000
	Reproduction	14,997	15,000	16,400
07	Other contractual services	6,318	5,060	5,415
	Services performed by other agencies	15,096	17,140	19,155
08	Supplies and materials	7,430	8,500	9,480
09	Equipment	12,887	2,000	4,400
11	Grants, subsidies, and contributions		96,000	106,800
13	Refunds, awards, and indemnities	1,145	500	500
15	Taxes and assessments	2,325	1,100	1,100
	Total obligations	1,729,179	1,900,000	2,040,000

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Salaries and Expenses, Children's Bureau

[Salaries and expenses, Children's Bureau:] For necessary expenses in carrying out the Act of April 9, 1912, as amended (42 U. S. C., ch. 6), and title V of the Social Security Act, as amended (42 U. S. C., ch. 7, subch. V), including purchase of reports and material for the publications of the Children's Bureau and of reprints for distribution, [$2,000,000] *$2,013,000*: *Provided*, That no part of any appropriation contained in this title shall be used to promulgate or carry out any instructions, order, or regulation relating to the care of obstetrical cases which discriminate between persons licensed under State law to practice obstetrics: *Provided further*, That the foregoing proviso shall not be so construed as to prevent any patient from having the services of any practitioner of her own choice, paid for out of this fund, so long as State laws are complied with: *Provided further*, That any State plan which provides standards for professional obstetrical services in accordance with the laws of the State shall be approved. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$2,000,000** Estimate 1959, **$2,013,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. State and local health services for children	$618,790	$686,086	$686,086
2. State and local social services for children	325,782	368,286	378,255
3. Technical assistance to States and communities for juvenile delinquency programs	130,962	149,524	165,783
4. Research in child life and services for children	250,007	288,039	300,291
5. Information for parents and others working with children	269,302	255,821	255,821
6. Administration	216,605	220,044	226,764
Total obligations	1,811,448	1,967,800	2,013,000
Financing:			
Unobligated balance no longer available	10,552	32,200	
Appropriation (new obligational authority)	1,822,000	2,000,000	2,013,000

The Bureau investigates the health and welfare of children and administers grants to the States for improving maternal and child health services, crippled children's services, and child welfare services.

1. *State and local health services for children.*—Policies and requirements for State maternal and child health and crippled children's programs are developed; State plans are approved; consultative services are given to State agencies, other public and voluntary agencies, and educational institutions engaged in training professional personnel; and guides are prepared on the provision of child health services.

2. *State and local social services for children.*—The same approach is used for the child welfare services as for the child health services.

3. *Technical assistance to States and communities for juvenile delinquency programs.*—Consultation is given to States, communities, and organizations, both public and voluntary, on standards and methods for care and treatment of juvenile delinquents, on content of State or local programs, and on problems of organization and coordination on a statewide or local basis; assistance is given to State agencies and educational institutions in planning for training of professional and nonprofessional personnel in the field of juvenile delinquency.

4. *Research in child life and services for children.*—Studies on child health and welfare are conducted, and the programs and services for children are evaluated. The results are interpreted to the public through printed materials.

5. *Information for parents and others working with children.*—Publications are prepared on child health and welfare services. Upon request, assistance is given to States in interpreting their child health and welfare programs.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	241	252	252
Full-time equivalent of all other positions	1	1	1
Average number of all employees	220	227	230
Number of employees at end of year	224	236	236
Average GS grade and salary	8.7 $6,620	9.0 $6,748	9.0 $6,819
01 Personal services:			
Permanent positions	$1,448,996	$1,518,131	$1,557,000
Positions other than permanent	6,183	9,000	9,000
Other personal services	2,446	9,000	9,000
Total personal services	1,457,625	1,536,131	1,575,000
02 Travel	139,770	147,120	151,800
03 Transportation of things	2,208	1,500	1,530
04 Communication services	25,245	25,457	25,800
05 Rents and utility services	605	500	500
06 Printing and reproduction	130,547	122,000	122,000
07 Other contractual services	5,725	4,300	4,300
Services performed by other agencies	22,316	11,256	11,300
08 Supplies and materials	14,984	15,322	15,500
09 Equipment	10,530	10,700	10,700
11 Grants, subsidies, and contributions		92,914	94,000
13 Refunds, awards, and indemnities	50		
15 Taxes and assessments	1,843	600	600
Total obligations	1,811,448	1,967,800	2,013,000

Salaries and Expenses, White House Conference on Children and Youth

For necessary expenses of preparation for a 1960 White House Conference on Children and Youth, $150,000: Provided, That a conference director may be appointed by the Secretary, without regard to civil service laws and the Classification Act of 1949, as amended, at a salary not to exceed $15,000 per annum. (*Act of Apr. 9, 1912, as amended, 42 U. S. C., ch. 6*).

Estimate 1959, **$150,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Planning the conference			$150,000
Financing:			
Appropriation (new obligational authority)			150,000

Every 10 years since 1909 the President has called a White House conference on children and youth. These conferences are joint undertakings of the Government, States, Territories, and citizens as represented by national organizations concerned with the well-being of children and youth. The funds requested in 1959 will enable the Children's Bureau to work cooperatively with interested organizations in conference planning.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions			18
Average number of all employees			16
Number of employees at end of year			18
Average GS grade and salary			9.8 $6,620
01 Personal services:			
Permanent positions			$114,788
Other personal services			491
Total personal services			115,279
02 Travel			25,131
04 Communication services			1,638
07 Other contractual services: Services performed by other agencies			279
08 Supplies and materials			810
09 Equipment			4,422
11 Grants, subsidies, and contributions			1,301
15 Taxes and assessments			1,140
Total obligations			150,000

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

[Grants to States for maternal and child welfare:] For grants to States for maternal and child-health services, services for crippled children, and child-welfare services as authorized in title V, parts 1, 2, and 3, of the Social Security Act, as amended (42 U. S. C., ch. 7, subch. V), $41,500,000, of which $15,000,000 shall be available for services for crippled children, $16,500,000 for maternal and child-health services, and $10,000,000 for child-welfare services: *Provided*, That any allotment to a State pursuant to section 502 (b) or 512 (b) of such Act shall not be included in computing for the purposes of subsections (a) and (b) of sections 504 and 514 of such Act an amount expended or estimated to be expended by the State: *Provided further*, That $1,000,000 of the amount available under section 502 (b) of such Act shall be used only for special projects for mentally retarded children. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$41,500,000** Estimate 1959, **$41,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Maternal and child health services	$15,497,506	$16,500,000	$16,500,000
2. Crippled children's services	14,834,964	15,000,000	15,000,000
3. Child welfare services	7,920,150	10,000,000	10,000,000
Total obligations	38,252,620	41,500,000	41,500,000
Financing:			
Unobligated balance no longer available	1,108,380		
Appropriation (new obligational authority)	39,361,000	41,500,000	41,500,000

The States are required to match one-half of the amounts appropriated for maternal and child health services and crippled children's services, and the remaining funds are distributed to the States in proportion to their financial need. The States are required by law to pay part of the cost of child welfare services, but the share is not specified.

1. *Maternal and child health services.*—Grants are provided to States for the improvement of health services for mothers and children, especially in rural areas.

2. *Crippled children's services.*—Grants are made to States to improve services for crippled children including medical, surgical, corrective, and other care, especially in rural areas.

3. *Child welfare services.*—Grants aid States to establish and strengthen, especially in rural areas and other areas of special need, child welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, and for the return of runaway children to their homes in other States.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$38,252,620	$41,500,000	$41,500,000

SALARIES AND EXPENSES, OFFICE OF THE COMMISSIONER

[Salaries and expenses, Office of the Commissioner:] For expenses necessary for the Office of the Commissioner of Social Security, [$300,000] *$314,000*, together with not to exceed [$240,000] *$246,000*, to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$300,000** Estimate 1959, **$314,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Direction and coordination of the social security program	$197,188	$251,400	$261,000
2. Appraisal and development of the social security program	163,819	240,600	299,000
Total obligations	361,007	492,000	560,000
Financing:			
Advances and reimbursements from non-Federal sources (1959 appropriation act)	−160,000	−240,000	−246,000
Unobligated balance no longer available	10,993	48,000	
Appropriation (new obligational authority)	212,000	300,000	314,000

The Office of the Commissioner directs and coordinates the social security program and performs basic research covering the broader phase of social security.

1. *Direction and coordination of the social security program.*—This consists of: (*a*) formulation of administrative policies; (*b*) certification of compliance of State laws, plans, and operations with Federal requirements and approval of grants to States; (*c*) coordinating interprogram activities; and (*d*) review of administrative management throughout the Social Security Administration.

2. *Appraisal and development of the social security program.*—Provision is made for: (*a*) basic studies beyond the immediate scope of any bureau; (*b*) review and coordination of research and statistics work in the Administration; and (*c*) the development of ways of improving economic security through social insurance and related measures.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	48	66	66
Full-time equivalent of all other positions	1		
Average number of all employees	44	56	64
Number of employees at end of year	54	66	66
Average GS grade and salary	9.7 $7,098	9.7 $7,170	9.7 $7,246
01 Personal services:			
Permanent positions	$314,720	$411,850	$479,520
Positions other than permanent	4,796		
Other personal services		1,850	1,880
Total personal services	319,516	413,700	481,400
02 Travel	4,942	7,500	7,500
03 Transportation of things	30		
04 Communication services	8,185	9,900	10,400
06 Printing and reproduction	11,407	15,200	13,700
07 Other contractual services	5,685	7,700	8,400
08 Supplies and materials	5,099	5,800	6,300
09 Equipment	6,101	6,100	1,000
11 Grants, subsidies, and contributions		26,060	31,260
15 Taxes and assessments	42	40	40
Total obligations	361,007	492,000	560,000

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under titles I, IV, V, X, and XIV, and section 705 of title VII, respectively, of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under each of such titles to be charged to the appropriation therefor for that fiscal year. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

In the administration of titles I, IV, V, X, and XIV, respectively, of the Social Security Act, as amended, payments to a State under any of such titles for any quarter in the period beginning April 1 of the prior year, and ending June 30 of the current year, may be made with respect to a State plan approved under such title prior to or during such period, but no such payment shall be made with respect to any plan for any quarter prior to the quarter in which such plan was submitted for approval. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

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Public enterprise funds:

Operating Fund, Bureau of Federal Credit Unions

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Chartering	$32,695	$35,847	$39,252
2. Supervision	328,260	423,830	467,042
3. Examination	1,632,533	2,204,334	2,464,926
4. Administration	69,075	81,378	82,542
5. Interest on Treasury loan	5,098	4,813	2,750
Total operating costs	2,067,661	2,750,202	3,056,512
Depreciation included above (−)	−12,293	−15,000	−18,000
Total operating costs, funded	2,055,368	2,735,202	3,038,512
Capital outlay: Purchase of equipment	44,025	35,000	35,000
Total program costs, funded	2,099,393	2,770,202	3,073,512
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,842	
Obligations incurred for costs of other years, net	467		500
Total program (obligations)	2,099,860	2,768,360	3,074,012
Financing:			
Amounts becoming available: Revenues and receipts: Fees	2,144,562	2,776,587	3,123,193
Unobligated balance brought forward	678,244	697,946	631,173
Total amounts available	2,822,806	3,474,533	3,754,366
Capital transfer (repayment of investment to Treasury) (−)	−25,000	−75,000	−50,000
Unobligated balance carried forward	−697,946	−631,173	−630,354
Financing applied to program	2,099,860	2,768,360	3,074,012

Federal credit unions are privately owned, cooperative associations organized for the purpose of promoting thrift among their members and creating a source of credit for provident or productive purposes, authorized by the Federal Credit Union Act (act of June 26, 1934) as amended to July 31, 1956 (ch. 14, U. S. C. 12).

The Bureau finances its activities out of fees charged for services performed. Additional working capital was provided in 1954 by the appropriation of an interest-bearing loan of $250,000. It is estimated that this loan will be repaid by the end of 1960.

The Bureau's activities consist of: (1) Chartering new Federal credit unions; (2) supervising established Federal credit unions; (3) making periodic examinations of their financial condition and operating practices; and (4) administrative services. Data relating to activities are shown below.

	1957 actual	*1958 estimate*	*1959 estimate*
Number Federal credit unions chartered	692	650	650
Number regular examinations	7,025	9,201	9,601
Number operating Federal credit unions as of December 31 of the previous calendar year	8,350	8,750	9,150
Assets of Federal credit unions as of December 31 of the previous calendar year	$1,528,559,101	$1,814,295,482	$2,138,600,114

Relation of cost to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Deferred charges	$1,471	$1,703	-------	-------
Unpaid undelivered orders	2,404	2,639	$2,500	$3,000
Total selected resources at end of year	3,875	4,342	2,500	3,000
Selected resources at start of year	−3,875	−4,342	−4,342	−2,500
Costs financed from obligation of other years, net (−)	-------	-------	−1,842	-------
Obligations incurred for costs of other years, net	467	-------	-------	500

Operating results.—Fees from receipts cover the costs of operations. Retained earnings are expected to show an increase to $751,394 through June 30, 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$44,025	$35,000	$35,000
Expense	2,055,368	2,735,202	3,038,512
Total gross expenditures	2,099,393	2,770,202	3,073,512
Receipts from operations (funds provided):			
Revenue	2,144,562	2,776,587	3,123,193
Decrease in selected working capital	9,012	14,795	43,325
Total receipts from operations	2,153,574	2,791,382	3,166,518
Budget expenditures	−54,181	−21,180	−93,006

Revenue, Expense, and Retained Earnings

Chartering program:			
Revenue	$17,065	$16,250	$16,250
Expense	32,782	35,914	39,310
Net operating loss, chartering program	15,717	19,664	23,060
Examination program:			
Revenue	1,667,444	2,222,833	2,489,048
Expense	1,636,469	2,208,112	2,468,184
Net operating income, examination program	30,975	14,721	20,864
Supervision program:			
Revenue	460,053	537,504	617,895
Expense	398,410	506,176	549,018
Net operating income, supervision program	61,643	31,328	68,877
Net income for the year	76,901	26,385	66,681
Retained earnings, beginning of year	581,427	658,328	684,713
Retained earnings, end of year	658,328	684,713	751,394

Financial Condition

Assets:			
Cash with Treasury	$705,253	$651,433	$694,439
Accounts receivable (net)	348,087	407,549	461,071
Deferred charges	1,703	-------	-------
Equipment, net	131,040	151,040	168,040
Total assets	1,186,083	1,210,022	1,323,550
Liabilities:			
Current	352,755	425,309	522,156
Government investment:			
Interest-bearing capital:			
Start of year	200,000	175,000	100,000
Repayment of investment to Treasury	−25,000	−75,000	−50,000
End of year	175,000	100,000	50,000
Retained earnings	658,328	684,713	751,394
Total Government investment	833,328	784,713	801,394

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$676,073	$705,253	$651,433	$694,439
Obligated balance, net: Current liabilities	321,710	352,755	425,309	522,156
Unpaid undelivered orders	2,404	2,639	2,500	3,000
Accounts receivable, net and cash in transit (−)	−326,285	−348,087	−407,549	−461,071
Total obligated balance	−2,171	7,307	20,260	64,085
Unobligated balance	678,244	697,946	631,173	630,354

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	341	407	436
Average number of all employees	299	385	414
Number of employees at end of year	341	407	436
Average GS grade and salary	7.6 $5,128	7.7 $5,078	7.8 $5,286

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SOCIAL SECURITY ADMINISTRATION—Continued

Public enterprise funds—Continued

OPERATING FUND, BUREAU OF FEDERAL CREDIT UNIONS—Con.

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
01	Personal services:			
	Permanent positions	$1,545,263	$1,984,472	$2,220,867
	Other personal services	10,475	12,230	13,234
	Excess of annual leave earned over annual leave taken	27,720	25,000	30,000
	Total personal services	1,583,458	2,021,702	2,264,101
02	Travel	356,049	469,700	513,250
03	Transportation of things	12,886	14,000	15,000
04	Communication services	32,464	35,000	35,000
05	Rents and utility services	6,690		
06	Printing and reproduction	17,317	20,000	20,000
07	Other contractual services	29,417	28,000	30,000
08	Supplies and materials	10,274	11,000	12,000
09	Equipment	44,025	35,000	35,000
11	Grants, subsidies, and contributions		129,487	144,911
13	Refunds, awards, and indemnities	530	500	500
14	Interest	5,098	4,813	2,750
15	Taxes and assessments	1,185	1,000	1,000
	Total costs	2,099,393	2,770,202	3,073,512
	Costs financed from obligations of other years, net (−)		−1,842	
	Obligations incurred for costs of other years, net	467		500
	Total obligations	2,099,360	2,768,360	3,074,012

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Disbursing old-age and survivors and disability insurance benefit payments:			
Department of Treasury, Division of Disbursement	$662,272	$790,000	$864,750
2. Providing employer manufacturing and nonmanufacturing statistics and related information:			
Department of Commerce, Bureau of the Census	70,001	8,129	
Department of Commerce, Office of Business Economics	21,321	20,000	
Department of Labor, Bureau of Labor Statistics	2,091		
Department of Labor, Wage and Hour Division	19,364	13,467	
Railroad Retirement Board	22,139		
Federal Trade Commission	3,212		
Department of Justice, Immigration and Naturalization Services	5,112		
Veterans Administration	6,733		
3. Providing employment and earnings record information	98,905	17,463	
4. Providing technical consultation in pediatrics, and maternal and child health services for Indians (Indian health, Public Health Service)	20,600	21,705	25,246
5. Miscellaneous service to other accounts	19		
Total obligations	931,769	870,764	889,996
Financing:			
Advances and reimbursements from—			
Other accounts	846,417	853,301	889,996
Non-Federal sources (42 U. S. C. 1306)	86,031	17,463	
Unobligated balance no longer available	−679		
Total financing	931,769	870,764	889,996

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	96	76	69
	Average number of all employees	89	74	69
	Number of employees at end of year	91	75	69
	Average GS grade and salary	4.0 $3,796	3.4 $3,719	3.3 $3,819
01	Personal services:			
	Permanent positions	$336,218	$275,265	$263,473
	Other personal services	7,424	1,019	971
	Total personal services	343,642	276,284	264,444

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$210	$210	$210
04	Communication services	407,729	449,800	479,800
05	Rents and utility services	19,356	8,596	6,046
06	Printing and reproduction	55,158	39,416	39,880
07	Other contractual services	4,975	8,274	8,633
08	Supplies and materials	69,145	65,848	68,565
09	Equipment	31,554	4,702	5,904
11	Grants, subsidies, and contributions		17,634	16,514
	Total obligations	931,769	870,764	889,996

Proposed for later transmission:

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Under existing legislation, 1958.—A $5,690,000 increase in the "Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance," is anticipated in 1958 due to an increase in the claims workload over the estimates upon which the 1958 limitation was based.

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
State expenditures:			
Payments to recipients:			
(*a*) Old-age assistance		$74,500,000	
(*b*) Aid to dependent children		54,500,000	
(*c*) Aid to the blind		1,200,000	
(*d*) Aid to the permanently and totally disabled		17,000,000	
Total, State expenditures		147,200,000	
State and local administration:			
(*a*) Old-age assistance		5,450,000	
(*b*) Aid to dependent children		5,975,000	
(*c*) Aid to the blind		325,000	
(*d*) Aid to the permanently and totally disabled		1,250,000	
Total, State and local administration		13,000,000	
Obligations for 1958		160,200,000	
Amount used to cover 1957 requirements		11,361,101	
Estimated increase in amount of collections (−)		−961,101	
Total obligations		170,600,000	
Financing:			
Proposed supplemental appropriation		170,600,000	

Under existing legislation, 1958.—A supplemental appropriation of $170,600,000 is anticipated for 1958, because current trends under each program indicate numbers of recipients and average monthly payments larger than provided for in the 1958 appropriation.

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses, Office of the Secretary:] For expenses necessary for the Office of the Secretary, [$1,800,000] *$1,819,000*, together with not to exceed [$260,000] *$263,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$1,800,000** Estimate 1959, **$1,819,000**

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Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction and program coordination	$599,913	$695,838	$711,656
2. Publications and reports	93,636	116,900	117,080
3. Administrative and financial management	1,087,406	1,238.362	1,253.264
Total obligations	1,780,955	2,051,100	2,082,000
Financing:			
Advances and reimbursements from Federal old-age and survivors insurance trust fund	−225,000	−260,000	−263,000
Unobligated balance no longer available	32,045	8,900	
Appropriation (new obligational authority)	1,588,000	1,800,000	1,819,000

This Office is responsible for the supervision, direction and guidance of the operating agencies of the Department.

1. *Executive direction and program coordination.*—In addition to overall direction of the Department, special attention is given the federally aided corporations, Federal-State relations, internal security, and problems affecting the aging population.

2. *Publications and reports.*—This Office directs the Department's public information activities, providing services to press, radio, and other media and specific information to those interested.

3. *Administrative and financial management.*—Guidance is furnished the operating agencies with regard to administrative management, personnel, property and records management, office services, organization, staffing and control problems. Budget analysis is made of the Department's programs; fiscal policies and procedures are developed and internal audit is conducted. In addition, certain direct administrative services are furnished.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	269	280	282
Full-time equivalent of all other positions	3	2	2
Average number of all employees	240	267	271
Number of employees at end of year	255	274	276
Average GS grade and salary	7.9 $5,979	7.9 $6,103	7.8 $6,086
01 Personal services:			
Permanent positions	$1,519,019	$1,685,786	$1,709,765
Positions other than permanent	13,550	7,495	7,495
Other personal services	27,138	33,336	33,356
Total personal services	1,559,707	1,726,617	1,750,616
02 Travel	32,063	31,985	33,485
03 Transportation of things	466	420	420
04 Communication services	41,716	41,090	41,450
05 Rents and utility services	78	100	100
06 Printing and reproduction	38,818	48,638	49,238
07 Other contractual services	42,217	41,450	42,350
08 Supplies and materials	29,828	29,060	29,310
09 Equipment	34,055	25,700	23,700
11 Grants, subsidies, and contributions		104,145	109,436
13 Refunds, awards, and indemnities	1,075	1,145	1,145
15 Taxes and assessments	932	750	750
Total obligations	1,780,955	2,051,100	2,082,000

Salaries and Expenses, Office of Field Administration

[Salaries and expenses, Office of Field Administration:] For expenses necessary for the Office of Field Administration, [$2,300,000] *$2,418,000,* together with not to exceed [$700,000] *$702,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$2,300,000** Estimate 1959, **$2,418,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Field administration	$1,399,622	$1,645,000	$1,718,000
2. Grant-in-aid audit	986,304	1,135,275	1,198,000
3. State merit systems	151,211	196,025	204,000
Total obligations	2,537,137	2,976,300	3,120,000
Financing:			
Advances and reimbursements from Federal old-age and survivors' insurance trust fund	−568,000	−700,000	−702,000
Unobligated balance no longer available	15,863	23,700	
Appropriation (new obligational authority)	1,985,000	2,300,000	2,418,000

1. *Field administration.*—This includes review and evaluation of Department field activities; planning for the field organization; and coordination of program operations through 9 regional offices, which provide administrative services for 13,135 employees located in the field. They also coordinate the Department's regional civil defense plans.

2. *Grant-in-aid audits.*—The Division audits 31 grant-in-aid programs to determine whether these grants were expended by the States and local subdivisions for the purposes for which they were appropriated. There will be an incoming current workload of approximately 2,150 audits in 1959. Audits of medical care for public assistance recipients will affect performance in 1959.

3. *State merit system.*—State merit systems are reviewed for compliance with the requirements of Federal law in the various programs. The Division activities relate to 17 types of grants-in-aid and apply to 70 State merit systems, and 290 agencies administering grant programs.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	428	465	476
Full-time equivalent of all other positions		2	
Average number of all positions	399	443	459
Number of employees at end of year	407	446	460
Average GS grade and salary	6.9 $5,352	7.0 $5,386	7.2 $5,539
01 Personal services:			
Permanent positions	$2,143,982	$2,373,064	$2,508,710
Positions other than permanent		9,448	
Other personal services	27,745	11,783	12,465
Total personal services	2,171,727	2,394,295	2,521,175
02 Travel	150,014	182,440	188,840
03 Transportation of things	6,084	5,925	5,925
04 Communication services	90,104	109,800	116,925
05 Rents and utility services	1,139	2,500	
06 Printing and reproduction	9,757	10,500	10,755
07 Other contractual services	23,248	39,255	39,450
08 Supplies and materials	54,425	59,810	68,050
09 Equipment	28,478	23,840	6,540
11 Grants, subsidies, and contributions		145,700	160,150
13 Refunds, awards, and indemnities	995	1,000	1,000
15 Taxes and assessments	1,166	1,235	1,190
Total obligations	2,537,137	2,976,300	3,120,000

Salaries and Expenses, Office of the General Counsel

[Salaries and expenses, Office of the General Counsel:] For expenses necessary for the Office of the General Counsel, [$500,000] *$505,000,* together with not to exceed $25,000 to be transferred from the appropriation "Salaries and expenses, certification and inspection services", and not to exceed [$449,000] *$450,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

Appropriated 1958, **$500,000** Estimate 1959, **$505,000**

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OFFICE OF THE SECRETARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Supervisory and general legal services	$203,594	$212,232	$216,006
2. Departmental program activities:			
(a) Public health	72,410	80,144	80,335
(b) Food and drug	124,344	180,040	196,290
(c) Old-age and survivors insurance	124,722	140,513	141,513
(d) Welfare and education	76,071	90,218	93,624
3. Regional and field	240,835	252,053	252,232
Total obligations	841,976	955,200	980,000
Financing:			
Advances and reimbursements from—			
Other accounts	−24,000	−25,000	−25,000
From Federal old-age and survivors insurance trust fund	−395,100	−449,000	−450,000
Unobligated balance no longer available	3,124	18,800	
Appropriation (new obligational authority)	426,000	500,000	505,000

The Office of the General Counsel acts as legal adviser to the Secretary, the directors of the nine regional offices, and all the operating agencies of the Department.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	119	136	136
Average number of all employees	116	126	130
Number of employees at end of year	115	133	133
Average GS grade and salary	9.2 $6,634	9.1 $6,667	9.1 $6,667
01 Personal services:			
Permanent positions	$796,010	$863,400	$884,900
Other personal services		3,300	3,300
Total personal services	796,010	866,700	888,200
02 Travel	11,371	9,000	9,000
03 Transportation of things	50	50	50
04 Communication services	5,623	5,000	5,000
05 Rents and utility services	1,400		
06 Printing and reproduction	1,312	1,400	1,400
07 Other contractual services	6,077	6,000	6,000
08 Supplies and materials	7,114	6,000	6,000
09 Equipment	12,275	9,300	9,300
11 Grants, subsidies, and contributions		51,000	54,300
15 Taxes and assessments	744	750	750
Total obligations	841,976	955,200	980,000

SURPLUS PROPERTY UTILIZATION

[Surplus property utilization:] For expenses necessary for carrying out the provisions of subsections 203 (j), (k), (n), and (o), of the Federal Property and Administrative Services Act of 1949, as amended, relating to disposal of real and personal excess property for educational purposes, *civil defense purposes*, and protection of public health, [$502,000] *$632,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1958; Federal Civil Defense Act of 1950, as amended.*)

Appropriated 1958, **$502,000** Estimate 1959, **$632,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Surplus property utilization (total obligations)	$528,133	$632,000	$632,000
Financing:			
Comparative transfers from (−) other accounts	−81,669	−130,000	
Unobligated balance no longer available	3,536		
Appropriation (new obligational authority)	450,000	502,000	632,000

The Secretary (1) allocates needed surplus personal property to State agencies for educational, public health, and civil defense purposes; (2) transfers surplus real property for educational and public health purposes, subject to disapproval by the Administrator of the General Services Administration; and (3) coordinates recapture of such property for use during national emergencies.

The following table shows actual and anticipated performance of responsibilities, and assistance that has and will be given to schools, hospitals, and State civil defense agencies through operation of the program, plus collections to be realized.

	1957 actual	*1958 estimate*	*1959 estimate*
Personal property allocations (millions)	$234.8	$250.0	$250.0
Real property transfers (millions)	7.8	12.0	12.0
Collections (thousands)	548.0	550.0	550.0

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	82	91	91
Average number of all positions	73	88	88
Number of employees at end of year	85	89	89
Average GS grade and salary	7.7 $5,759	7.6 $5,865	7.7 $5,884
01 Personal services:			
Permanent positions	$420,750	$512,925	$512,760
Positions other than permanent	2,568		
Other personal services	342	1,875	2,025
Total personal services	423,660	514,800	514,785
02 Travel	49,671	49,850	49,850
03 Transportation of things	618	2,350	1,220
04 Communication services	17,052	19,920	19,920
05 Rents and utility services	1,746		
06 Printing and reproduction	4,395	2,500	2,500
07 Other contractual services	6,088	5,500	5,500
08 Supplies and materials	6,415	4,100	4,100
09 Equipment	17,784	1,000	1,000
11 Grants, subsidies, and contributions		31,815	32,960
13 Refunds, awards, and indemnities	200		
15 Taxes and assessments	504	165	165
Total obligations	528,133	632,000	632,000

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Reproduction:			
Cost of goods and service sold	$488,127	$533,156	$521,485
Other	44,406	45,800	45,800
2. Tabulating:			
Cost of goods and services sold	229,636	236,932	237,122
Other	19,150	20,715	20,715
3. Supply services:			
Cost of goods and services sold	412,299	410,494	409,101
Other	10,888	7,640	7,650
Net gain from sale of fixed assets (−)	−28		
Total operating costs	1,204,478	1,254,737	1,241,873
Depreciation included above (−)	−12,597	−12,600	−12,665
Other costs included above not requiring funding	28		
Total operating costs, funded	1,191,909	1,242,137	1,229,208
Capital outlay:			
1. Reproduction: Purchase of equipment	1,466	17,600	4,500
2. Tabulating: Purchase of equipment	210	200	100
3. Supply services: Purchase of equipment	739	200	200
Total capital outlay	2,415	18,000	4,800
Total program costs, funded	1,194,324	1,260,137	1,234,008
4. Relation of costs to obligations: Obligations incurred wor costs of other years, net	6,188	263	10
Total program (obligations)	1,200,512	1,260,400	1,234,018

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available:			
Revenues and receipts:			
Sales of commodities	$1,229,444	$1,261,260	$1,247,370
Other receipts	1,258	640	430
Adjustment of prior year revenue	9,360		
Total amounts becoming available	1,240,062	1,261,900	1,247,800
Unobligated balance brought forward	83,701	103,251	104,751
Total amounts available	1,323,763	1,365,151	1,352,551
Capital transfer (repayment of appropriation to Treasury) (−)	−20,000		
Unobligated balance carried forward	−103,251	−104,751	−118,533
Financing applied to program	1,200,512	1,260,400	1,234,018

The fund provides reproduction, tabulating, and supply services on a central basis for Department headquarters (42 U. S. C. 905).

Budget program—1. *Reproduction.*—Consists of offset printing, mimeographing, photographic visual aids, microfilming and distribution services for the Department's headquarters and for other Government agencies as required. Also includes procurement of printing from Government Printing Office and other sources and procurement and distribution of congressional materials.

2. *Tabulating.*—Provides machine tabulation services on a centralized basis for all of the headquarters units of the Department. The services performed cover fiscal, payroll, and statistical processing.

3. *Supply services.*—Includes purchasing and supply functions on a centralized basis for the headquarters units of the Department.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Commodities for sale	$75,091	$80,484	$80,490	$80,000
Unpaid undelivered orders	36,480	38,743	39,000	39,500
Deferred charges	1,468			
Total selected resources at end of year	113,039	119,227	119,490	119,500
Selected resources at start of year (−)		−113,039	−119,227	−119,490
Obligations incurred for costs of other years		6,188	263	10

Operating results and financial conditions.—Government investment at the end of 1959 is expected to consist only of donated assets and retained earnings. The earnings are retained to meet future needs.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Reproduction:			
Acquisition of equipment	$1,466	$17,600	$4,500
Expense:			
Purchase of commodities for manufacture or sale	185,759	207,599	195,289
Other expense	335,891	360,471	361,105
Tabulating:			
Acquisition of equipment	210	200	100
Expense:			
Purchase of commodities for manufacture or sale	8,533	7,500	7,500
Other expense	239,172	249,066	249,256
Supply services:			
Acquisition of equipment	739	200	200
Expense:			
Purchase of commodities for manufacture or sale	322,991	344,595	344,545
Other expense	99,563	72,906	71,513
Increase in selected working capital	3,106	5,558	5,510
Total gross expenditures	1,197,430	1,265,695	1,239,518

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Reproduction: Revenue	$528,398	$580,000	$567,800
Tabulating: Revenue	248,296	257,900	258,000
Supply services: Revenue	453,980	424,000	422,000
Undistributed: Proceeds from sale of equipment	28		
Undistributed receipts: Adjustment of prior year revenue	9,360		
Total receipts from operations	1,240,062	1,261,900	1,247,800
Budget expenditures	−42,632	3,795	−8,282

Revenue, Expense, and Retained Earnings

Reproduction:			
Revenue	$528,398	$580,000	$567,800
Expense	532,533	578,956	567,285
Net operating income or loss (−), reproduction	−4,135	1,044	515
Tabulating:			
Revenue	248,296	257,900	258,000
Expense	248,786	257,647	257,837
Net operating income or loss (−), tabulating	−490	253	163
Supply services:			
Revenue	453,980	424,000	422,000
Expense	423,187	418,134	416,751
Net operating income, supply services	30,793	5,866	5,249
Nonoperating income: Proceeds from sale of donated equipment (net gain)	28		
Net income for the year	26,168	7,163	5,927
Analysis of retained earnings:			
Retained earnings, beginning of year	75,257	110,785	117,948
Adjustment of prior year revenue	9,360		
Retained earnings, end of year	110,785	117,948	123,875

Financial Condition

Assets:			
Cash with Treasury	$271,046	$267,251	$275,533
Accounts receivable	41,454	41,500	41,500
Supplies	80,484	80,490	80,000
Net equipment	104,070	109,470	101,605
Total assets	497,054	498,711	498,638
Liabilities:			
Current	170,506	165,000	159,000
Government investment:			
Non-interest-bearing capital:			
Start of year	235,298	215,763	215,763
Repayment of appropriation to Treasury (−)	−20,000		
Donated assets	465		
End of year	215,763	215,763	215,763
Retained earnings	110,785	117,948	123,875
Total Government investment	326,548	333,711	339,638

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash in Treasury	$248,413	$271,046	$267,251	$275,533
Obligated balance, net:				
Current liabilities	162,610	170,506	165,000	159,000
Unpaid undelivered orders	36,480	38,743	39,000	39,500
Accounts receivable (−)	−34,378	−41,454	−41,500	−41,500
Total obligated balance	164,712	167,795	162,500	157,000
Unobligated balance	83,701	103,251	104,751	118,533

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	123	124	124
Full-time equivalent of all other positions	1	1	1
Average number of all employees	126	125	125
Number of employees at end of year	117	120	121

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average GS grade and salary	4.9 $4,289	5.0 $4,314	5.0 $4,372
Average salary of ungraded positions	$4,620	$4,823	$4,835
01 Personal services:			
Permanent positions	$547,493	$552,782	$558,378
Positions other than permanent	2,678	2,500	2,500
Other personal services	34,847	37,125	37,125
Excess of annual leave earned over leave taken	787		
Total personal services	585,805	592,407	598,003
02 Travel	826	850	850
03 Transportation of things	572	580	580
04 Communication services	20,226	21,000	21,000
05 Rents and utility services	72,113	75,100	75,100
06 Printing and reproduction	15,736	15,000	15,000
07 Other contractual services	51,544	51,500	51,500
08 Supplies and materials	444,547	450,400	430,675
09 Equipment	2,415	18,000	4,800
11 Grants, subsidies, and contributions		34,700	35,900
13 Refunds, awards, and indemnities	150	200	200
15 Taxes and assessments	390	400	400
Total costs	1,194,324	1,260,137	1,234,008
Obligations incurred for cost of other years, net	6,188	263	10
Total obligations	1,200,512	1,260,400	1,234,018

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. State merit systems (Department of Labor)	$44,643	$47,700	$47,700
2. Youth fitness	2,388		
3. Defense planning	5,318	2,292	
4. Hungarian refugee program	1,308		
5. Miscellaneous services to other accounts	517		
6. Sale of equipment	168		
7. Prior year advances returned		119	
Total obligations	54,342	50,111	47,700
Financing:			
Unobligated balance brought forward	367	119	
Advances and reimbursements from—			
Other accounts	55,093	50,153	47,700
Non-Federal sources (40 U. S. C. 481 (c))	168		
Unobligated balance carried forward	−119		
Unobligated balance no longer available	−1,167	−161	
Total financing	54,342	50,111	47,700

Object Classification

Total number of permanent positions	7	6	6
Full-time equivalent of all other positions	1		
Average number of all employees	7	6	6
Number of employees at end of year	7	6	6
Average salary and grade	10.3 $7,235	10.5 $7,358	10.5 $7,439
01 Personal services:			
Permanent positions	$46,343	$43,880	$43,750
Positions other than permanent	1,901	1,314	
Other personal services	1,352	165	170
Total personal services	49,596	45,359	43,920
02 Travel	4,101	1,728	750
04 Communication services	300		
07 Other contractual services	160	155	155
08 Supplies and materials	17		
09 Equipment	168		
11 Grants, subsidies, and contributions		$2,750	$2,875
13 Refunds, awards, and indemnities		119	
Total obligations	$54,342	50,111	47,700

GENERAL PROVISIONS

SEC. 202. Appropriations under this title available for salaries and expenses shall be available for payment in advance for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public.

SEC. 203. Appropriations under this title available for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

SEC. 204. Appropriations under this title available for salaries and expenses shall be available for travel expenses and for expenses of attendance at meetings concerned with the functions or activities for which such appropriations are made.

SEC. 205. Appropriations under this title available for salaries and expenses shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131).

SEC. 206. None of the funds appropriated by this title to the Social Security Administration for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 207. The Secretary is authorized to make such transfers of motor vehicles, between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

[SEC. 208. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs.]

SEC. [209] *208.* None of the obligational authority available to the Department of Health, Education, and Welfare for planning and/or construction of buildings shall remain available after June 30, [1959: *Provided*, That existing obligational authority to the Department of Health, Education, and Welfare for preparation of plans and specifications for the construction of the general office and the dental research buildings of the National Institutes of Health, and the National Library of Medicine building of the Public Health Service, shall remain available until June 30, 1958] *1960.*

[SEC. 210. None of the funds provided herein shall be used, either directly or indirectly, for construction or planning of any building for the Department of Health, Education, and Welfare under the lease-purchase program, nor shall any of the funds provided herein be used to pay the salary of any person who assists or consults with anyone in connection with the construction or planning of any building for the Department of Health, Education, and Welfare under the lease-purchase program.]

[SEC. 211. To the extent and under the conditions provided by regulations of the Secretary, officers (including commissioned officers of the Public Health Service) and employees of the Department of Health, Education, and Welfare may hereafter, in connection with their attendance at meetings or in performing advisory services concerned with the functions or activities of the Department, be permitted to accept payment, in cash or in kind, from non-Federal agencies, organizations, and individuals, for travel and subsistence expenses, to be retained by them to cover the cost thereof or deposited to the credit of the appropriation from which the cost thereof is paid, as may be provided in such regulations.] (*Department of Health, Education, and Welfare Appropriation Act, 1958.*)

SEC. 901. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress. (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1958.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FOOD AND DRUG ADMINISTRATION								
Salaries and expenses	25	$37,500	25	$2,500	$35,000	257		For use of inspectors in traveling to food, drug, and cosmetic factories, canneries, warehouses, seafood packers, and other establishments where products subject to the Food, Drug, and Cosmetic Act are prepared, stored, or sold in pursuance of their duties in enforcing the act. 281 of these vehicles are located in the field and 1 is assigned to the inspector of the Baltimore field district who is located in Washington and operates in Washington and those inspectional areas more convenient to Washington than to the Baltimore district.
FREEDMEN'S HOSPITAL								
Salaries and expenses						1		1 ambulance for emergency calls and transportation of patients.
PUBLIC HEALTH SERVICE								
Assistance to States, general						23	$5,000	Professional and technical personnel: General health demonstrations, field training, and consultative services in the field.
Grants and special studies, Territory of Alaska.						2		Engineers and field personnel: Health and sanitation activities in Alaska.
Communicable disease activities	9	13,500	9	2,475	11,025	53	15,000	Technical, professional and other personnel: Investigation and control of communicable diseases, and transportation of material related thereto.
Station wagon						6		Do.
Bus						2		Do.
Sanitary engineering activities	4	6,000	4	1,400	4,600	13	15,000	Engineers and field personnel: Environmental health and sanitation activities in the field.
Station wagon	5	9,750	5	2,250	7,500	6		Do.
Control of tuberculosis						1	1,000	Public health representatives, professional and technical personnel: Demonstrations, casefinding and training activities related to the tuberculosis program in the field.
Station wagon						3		Do.
Salaries and expenses, hospital construction services.						1	3,000	Hospital consultants, architects, and engineers, and other field personnel: Work incident to the construction of hospitals and health facilities in the field.
Hospitals and medical care	5	7,500	5	1,250	6,250	19	8,550	Patients and employees: Transportation incident to operation of medical facilities, transport of emergency purchases in the field.
Station wagon	4	7,800	4	600	7,200	6	4,320	Do.
Ambulance	2	11,000	2	300	10,700	15	540	Patients: Transportation to and from hospitals and public transportation terminals in the field.
Bus						2		Patients: Transportation of large groups to other Government installations in the field. School children: Transportation in accordance with 42 U. S. C. 227.
Foreign quarantine activities						47	12,600	Officers and employees at Federal foreign quarantine stations: Inspection and fumigation of ships and airplanes arriving from foreign ports.
Station wagon						3	13,680	Do.
Indian health activities	9	13,500	17	4,250	9,250	97	28,400	Patients and employees: Transportation of patients to hospitals and clinics. Physicians and other public health personnel: Transportation to field locations to render public health services.
Station wagon	14	27,300	6	900	26,400	78	11,400	Do.
Ambulance	2	11,000	2	200	10,800	25		Patients: Transportation to hospitals and clinics in the field.
Bus						4		Patients: Transportation of large groups to other Government installations in the field.
National Institutes of Health management fund.	14	21,000	14	700	20,300	21	13,000	Research personnel and research patients: Collecting data and material, and transportation from points where public transportation is not adequately available in the field, and package pickup service on nights and week ends.
Station wagon	5	9,750			9,750	7		Same as above. Also transporting mail and personnel between Bethesda, Md., the Department of Health, Education, and Welfare and other points in the downtown Washington area.
Ambulance						2		Patients: Transportation between the clinical center, Bethesda, Md., and hospitals and transportation terminals in the Washington area.
Bus						2		Scientists and other personnel: Transportation between buildings at the National Institutes of Health.
National Cancer Institute						1		Consultants, scientists, and other technical personnel: Cancer research programs in the field.
Mental health activities: Station wagon.							1,100	Children and staff: Transportation of children to and from public schools, parks, etc., in accordance with therapeutic demands and transportation of staff, equipment, etc., between the National Institutes of Health and Saint Elizabeths Hospital.
National Heart Institute						2		Heart control consultants and other technical personnel: Heart research control, and demonstration programs in the field.
Dental health activities						1	1,200	Professional and scientific personnel: Dental studies and investigations in the field.
Station wagon						7		Do.
Allergy and infectious disease activities.						5		Research personnel: Collecting scientific data and material, and transportation in connection with epidemiological studies and field studies of the Rocky Mountain Laboratory.
Station wagon						2		Do.
Salaries and expenses							374	Surgeon General, deputy surgeon general and other personnel: Transportation to and from meetings and conferences in the Washington area.
Patients' benefit fund, Public Health Service hospitals: Station wagon.						1		Patients: Transporting patients at the Carville, La., hospital within a 1-day travel radius of the hospital to and from their homes on authorized vacation leave since patients afflicted with leprosy cannot be carried by public transportation.
Total, Public Health Service	73	138,100	68	14,325	123,775	457	134,164	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
SAINT ELIZABETHS HOSPITAL								
Salaries and expenses							$1,300	Vehicles used for transporting patients to and from court, to and from railroad, bus and air terminals, and to and from medical facilities at the hospital and in the District of Columbia; transporting social service workers, and transporting hospital officials to and from Government agencies in connection with official business.
Station wagon							276	
Bus	1	$10,500			$10,500	3		
Ambulance						2		
Total, Saint Elizabeths Hospital.	1	10,500			10,500	5	1,576	
SOCIAL SECURITY ADMINISTRATION								
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance.						1		Automobile is used by top-level administrative and technical personnel of the Bureau to provide prompt transportation between widely separated Bureau installations in Baltimore, to transport Bureau employees to railroad stations, and occasionally to provide transportation for other U. S. Government officials, Members of Congress, and representatives of foreign governments.
Station wagon						1		Station wagon is used mainly to transport small groups of employees between Bureau installations in Baltimore to obtain optimum use of personnel with special skills. The station wagon is also used as required for transportation of employees to buildings having first-aid facilities.
Do							480	A station wagon is rented from the General Services Administration motor pool in New York City. It is used to transport transcripts of payment rolls between Treasury Department disbursing office and the New York area office. The station wagon is also used to haul mail between the area office and the New York post office.
Passenger bus						1		Bus is used by Bureau employees, including messengers, to maintain regular shuttle service among the Bureau's widely separated Baltimore locations. The bus is used to transport employees who have duties to perform in different buildings, to carry small amounts of work among buildings, and to distribute the Bureau's mail among buildings.
Total, Social Security Administration.						3	480	
OFFICE OF THE SECRETARY								
Salaries and expenses, Office of the Secretary.						2	1,630	Secretary, Under Secretary, assistant secretaries: To transport these officials to and from official meetings and conferences with other Government officials, Members of Congress, and officials of international organizations. Messengers: To deliver classified and special mail in the Washington area.
Total, Department of Health, Education, and Welfare	99	186,100	93	$16,825	169,275	725	137,850	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
PUBLIC HEALTH SERVICE								
Communicable disease activities						4	$4,700	Professional and technical personnel: Technical development and epidemic control activities of the Communicable Disease Center, including devising spray equipment, appraising new insecticides, testing application rates and efficacy of larviciding. Also for use in epidemics and disasters.

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DEPARTMENT OF THE INTERIOR

The 1959 request for new obligational authority for the Department of the Interior is $583 million, a reduction of $67 million from the current year. About two-thirds of the reduction, $44 million, results from the fact that the 1959 new obligational authority for parkways, park roads and Indian roads was made available in 1958, a year in advance, as provided in the Federal-Aid Highway Act of 1956. Despite the reduction in new obligational authority, expenditures are estimated to rise to $663 million, mainly because some construction work is to be financed by prior year appropriations.

Approximately 87% of the funds requested for 1959 are for the conservation and development of natural resources. Most of the remainder is for educational services and for the administration of Territories and possessions. The budget contemplates that some programs of the Department will be deferred or curtailed in 1959, where this can be done without loss of investments or failure to meet urgent needs. Funds requested for various other programs, such as soil and moisture conservation work on public lands, are being held to about the 1958 levels. Continued attention is being given to effective utilization of manpower, so that to the greatest degree possible improved efficiency can offset higher costs and workloads.

In addition to long-range economic benefits, many programs of the Department of the Interior result in direct financial returns. The estimated receipts for 1959, classified by major sources, are shown below.

Major source of receipts	*Estimated receipts in 1959 (millions)*
Sale of power	$149
Collections from water users	16
Timber sales	25
Mineral leasing	193
Other	76
Total	459

Land and water resources.—Expenditures for the conservation and development of land and water resources make up more than half of the total expenditures for the natural resources programs. Much of this is for multipurpose development of the water resources of the West, with consideration given to irrigation, water supply, flood control, navigation, hydroelectric power, and related recreational and fish and wildlife benefits.

Total expenditures for the Bureau of Reclamation for water resources in 1959 are estimated at $216 million, most of which will be for continuation of construction underway. The budget provides no funds to initiate construction of new projects by the Bureau of Reclamation in 1959. The estimated increase of $17 million over expenditures in 1958 mainly results from the greater amounts required to continue work on construction projects started before 1958, principally the Glen Canyon Dam and Reservoir in Arizona and Utah and the Trinity division of the Central Valley project in California. A supplemental appropriation of $10 million will be requested in 1958 to meet additional contract earnings and other expenditures on the Glen Canyon project. The Bureau will continue construction of transmission facilities to market power generated at the Missouri River Basin project. It will also operate transmission facilities to market power from Reclamation and Corps of Engineers projects in the Missouri River Basin and other Reclamation projects except those in the Pacific Northwest.

The Bonneville Power Administration will continue to construct and operate high voltage transmission facilities to integrate 16 Federal hydroelectric plants and to interconnect the Federal grid with non-Federal utility systems throughout the Pacific Northwest. The Southwestern and Southeastern Power Administrations market power generated at 19 Corps of Engineers projects in the respective areas. Expenditures for these power marketing agencies are estimated at $38 million in 1959, a decrease of $3 million from the 1958 level.

The budget provides for the management of 468 million acres of public lands in the United States and Alaska by the Bureau of Land Management. The use of these lands for range, forestry, and minerals has been increasing. Recommended new obligational authority in 1959 for the Bureau of Indian Affairs for the management of the resources of the 56 million acres of Indian lands and the construction of roads, irrigation systems, schools and other needed buildings and facilities will be below the 1958 level. Expenditures are estimated to increase, however, from $42 million in 1958 to $50 million in 1959, since some of the construction will be financed from unexpended balances of prior years.

Forest resources.—Revenues from the sale of timber on the Oregon and California revested lands and the Coos Bay Wagon Road grant lands are shared with counties in which these lands are situated. These payments are Federal expenditures which are classified under the heading of conservation and development of forest resources.

Timber management activities on public domain and Indian lands are under the heading of land and water resources.

Fish and wildlife resources.—The budget includes funds for the Fish and Wildlife Service to operate 88 stations for the propagation of fishes and 270 wildlife refuges. Research is to be continued on various aspects of waterfowl and fishery activities. Assistance given to commercial fisheries includes marketing technology and news, and loans in certain cases where commercial loans cannot be obtained privately on reasonable terms. The Service also cooperates with States through Federal aid in fish and wildlife restoration, financed from appropriations of funds derived from tax revenues on hunting and fishing gear.

Recreational use of natural resources.—The budget for 1959 provides funds for the third year of a 10-year development program to provide, by 1966, essential facilities for an estimated 80 million visitors to the national parks. Although expenditures for construction in 1959 will be $7 million below the 1958 expenditures, work will go forward on the most urgently needed facilities.

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Promotion of education.—New obligational authority is requested for 1959 at about the same level as 1958 for the Bureau of Indian Affairs to provide educational services for a large number of Indians who live on tax-exempt Indian trust lands. Under current policies, Indian children are enrolled in public schools wherever possible and financial assistance is given to States and local school districts in meeting the costs of educating these children. In some cases the Government operates dormitories to house Indian children who attend public schools. Where public facilities are inadequate or not available, the Bureau operates boarding and day schools. The Bureau provides for adult education and training programs for the Indians, as well as a relocation program under which Indians on reservations will be assisted in settling in communities away from the reservation where employment opportunities have been developed.

Community development and facilities.—The fiscal year 1959 is the final year of a 9-year, $70 million program of public works for Alaska which was first authorized by the Congress in 1949. Fifty percent of the aggregate Federal outlays under this program will be recovered from the Territorial Government or from the local Alaskan communities which request the specific projects.

Other aids to business.—Net expenditures of the Alaska Railroad, which is operated by the Office of Territories, are estimated to decline in 1959. Revenues are expected to increase. Outlays for acquisition of assets will increase slightly in 1959, mainly for track improvements and the purchase of rolling stock.

Labor and manpower.—The budget recommends that the health and safety program of the Bureau of Mines be maintained at the same levels as in the current year. Under this program the Department carries on inspections, investigations, research and rescue work to reduce the working hazards in mines.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Labor and welfare:						
211 Labor and manpower	$5,304	$5,900	$5,900	$5,272	$5,107	$5,854
214 Promotion of education	50,413	59,484	57,469	48,113	52,700	59,800
Total, labor and welfare	55,718	65,384	63,369	53,385	57,807	65,654
Natural resources:						
401 Conservation and development of land and water resources	295,782	315,768	301,007	276,130	309,251	333,469
402 Conservation and development of forest resources	11,932	9,858	11,117	11,932	9,858	11,117
403 Conservation and development of mineral resources	64,303	57,923	50,734	62,070	63,125	55,945
404 Conservation and development of fish and wildlife	67,363	62,630	56,295	49,329	63,633	56,273
405 Recreational use of natural resources	70,455	76,650	40,479	58,686	78,463	73,305
409 General resource surveys and administration	39,849	45,584	46,023	37,743	42,724	47,219
Total, natural resources	549,683	568,413	505,654	495,890	567,054	577,328
Commerce and housing:						
515 Community development and facilities	4,968	6,000	4,000	7,806	7,488	6,768
518 Other aids to business				3,090	3,333	2,515
Total, commerce and housing	4,968	6,000	4,000	10,897	10,821	9,283
General government:						
609 Territories and possessions, and the District of Columbia	10,622	10,668	9,945	11,435	10,277	10,094
610 Other general government	852	186	186	570	973	305
Total, general government	11,475	10,854	10,131	12,005	11,251	10,399
Total, Department of the Interior	621,844	650,650	583,154	572,177	646,932	662,664

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
DEPARTMENTAL OFFICES							
Current authorizations:							
Office of Saline Water	401	$550,000	$725,000	$825,000	$498,651	$671,000	$800,000
Office of Oil and Gas	403	513,800	585,000	550,000	444,986	544,000	550,000
Office of the Solicitor	409	2,770,000	2,900,000	2,873,000	2,615,626	2,769,000	2,873,000
Reappropriation	409		18,500				
Office of Minerals Mobilization	403	300,000	263,000	262,000	192,504	254,000	264,000
Acquisition of strategic minerals	403	21,000,000	6,700,000		17,863,131	9,425,000	411,869
Total, departmental offices		25,133,800	11,191,500	4,510,000	21,614,898	13,663,000	4,898,869
COMMISSION OF FINE ARTS							
Current authorizations:							
Salaries and expenses	610	31,000	35,000	35,000	27,790	33,000	35,000
BONNEVILLE POWER ADMINISTRATION							
Current authorizations:							
Construction	401	18,700,000	22,038,000	21,000,000	27,248,816	24,300,000	22,000,000
Operation and maintenance	401	7,595,000	8,630,000	9,170,000	7,493,136	8,630,000	9,170,000
Permanent authorizations:							
Continuing fund for emergency expenses (indefinite special account)	401		209,500			209,500	
Total, Bonneville Power Administration		26,295,000	30,877,500	30,170,000	34,741,952	33,139,500	31,170,000
SOUTHEASTERN POWER ADMINISTRATION							
Current authorizations:							
Operation and maintenance	401	1,913,000	1,939,000	735,000	1,886,380	1,870,000	853,000
Proposed for later transmission (under existing legislation):							
Operation and maintenance	401		567,000			500,000	67,000
Total, Southeastern Power Administration		1,913,000	2,506,000	735,000	1,886,380	2,370,000	920,000
SOUTHWESTERN POWER ADMINISTRATION							
Current authorizations:							
Construction	401		1,480,000		378,054	900,000	580,000
Operation and maintenance	401	965,000	1,000,000	975,000	876,153	980,000	980,000
Continuing fund (indefinite special account)	401	6,400,000	5,000,000	4,405,000	4,532,116	3,510,000	4,350,000
Total, Southwestern Power Administration		7,365,000	7,480,000	5,380,000	5,786,323	5,390,000	5,910,000
BUREAU OF LAND MANAGEMENT							
Current authorizations:							
Management of lands and resources	401	18,369,300	22,000,000	20,940,000	17,585,970	20,272,000	20,970,000
Construction	401	4,600,000	5,480,000	4,435,000	4,309,535	5,270,000	6,164,372
Range improvements (receipt limitation) (indefinite)	401	390,871	564,846	786,000	611,893	513,000	700,000
Permanent authorizations:							
Expenses, sale of timber, etc., on reclamation lands	402	763	2,000	2,000	763	2,000	2,000
Leasing of grazing lands (receipt limitation)	401	832	3,000	3,000	741	3,079	3,700
Payments to Oklahoma (royalties, receipt limitation)	403	5,893	9,433	10,000	5,893	9,433	10,000
Payments to Coos and Douglas Counties, Oregon, from receipts, Coos Bay Wagon Road grant lands (indefinite special account)	402	21,550	50,000	50,000	21,550	50,000	50,000
Payments to counties, Oregon and California grant lands (indefinite special account)	402	11,909,395	9,805,664	11,065,000	11,909,395	9,805,664	11,065,000
Payments to States (grazing fees) (indefinite special account)	401	595	600	600	626	600	600
Payments to States (proceeds of sales) (receipt limitation)	401	99,865	198,100	238,400	159,389	198,100	238,400
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special account)	401	172,833	183,100	183,100	175,709	183,100	183,100
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special account)	401	169,899	260,500	260,500	186,195	260,500	260,500
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (indefinite special account)	401	2,796	10,000	10,000	3,478	6,560	10,000
Payments to States from receipts under Mineral Leasing Act (indefinite special account)	403	25,590,792	30,367,500	30,388,000	25,591,795	30,367,500	29,388,000
Payments to Territory of Alaska, income and proceeds, Alaska school lands (indefinite special account)	401	22,076	25,000	25,000	15,215	25,000	25,000
Payments to Alaska, coal leases (indefinite special account)	403		45,000	90,000		45,000	90,000
Proposed for later transmission (under existing legislation):							
Management of lands and resources	401		600,000			479,000	100,000
Total, Bureau of Land Management		61,357,460	69,604,743	68,486,600	60,578,147	67,490,536	69,260,672

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUREAU OF INDIAN AFFAIRS							
Current authorizations:							
Education and welfare services:							
Appropriation	214	$50,017,220	$59,064,014	$57,049,000	$48,113,463	$52,700,000	$59,800,000
Liquidation of contract authorization	214	(419,780)	(395,986)	(420,000)			
Resources management	401	16,733,000	17,200,000	17,000,000	15,779,780	16,097,000	17,600,000
Construction	401	5,240 000	17,000,000	13,000,000	8,935,685	10,540,000	15,400,000
Road construction and maintenance (liquidation of contract authorization)	401	(11,500,000)	(12,000,000)	(8,000,000)	10,805,762	10,540,000	11,874,000
General administrative expenses	409	3,190,000	3,450,000	3,450,000	3,130,736	3,252,000	3,447,000
Payment to Klamath Tribe of Indians	409			250,000			200,000
Payment to Menominee Tribe of Indians	409		300,000	200,000		200,000	200,000
Distribution of funds of the Creek Indians	610	200,000			52,408	61,892	85,700
Miscellaneous accounts:							
Payment to Pine Ridge Sioux Tribe of Indians	610	437,500			290,500	141,000	6,000
Payment to Indians, States, counties, etc., act of June 11, 1940	610					1,903	
Payment to loyal Creeks and Freedmen	610				29,297	488,331	21,000
Payment to Sioux Indians for property losses, act of May 3, 1928	610					11,934	
Redemption of restricted Indian property subject to taxation	610					4,883	
Relocation of Yankton Sioux Tribe, Bureau of Indian Affairs	401				106,500		
Permanent authorizations:							
Education and welfare services (contract authorization)	214	395,986	420,000	420,000			
Road construction and maintenance (contract authorization)	401	12,000,000	12,000,000				
Claims and treaty obligations (indefinite)	610	175,660	140,500	140,500	169,636	149,924	147,500
Miscellaneous permanent apppropriations (indefinite special accounts):							
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936	610	8,099	10,000	10,000		69,240	10,000
Indian arts and crafts fund	401	13	200	200		1,720	200
Operation and maintenance, Indian irrigation systems	401	2,289,080	3,000,000	3,000,000	2,186,235	2,489,000	2,653,000
Power systems, Indian irrigation projects	401	1,577,481	1,500,000	1,487,300	1,607,373	1,470,000	1,465,000
Purchase of land for Rocky Boy's Reservation, Montana	610					11,157	
Colorado River Indian reservation fund, northern reserve	401	88,169	100,000	100,000	63,000	85,149	153,000
Colorado River Indian reservation fund, southern reserve	401	10,933	12,000	12,000	5,315	28,121	12,000
Public enterprise funds:							
Revolving fund for loans	401				−112,655	269,250	874,000
Total, Bureau of Indian Affairs		92,363,141	114,196,714	96,119,000	91,163,035	98,612,504	113,948,400
BUREAU OF RECLAMATION							
Current authorizations:							
General investigations	401	5,680,000	5,932,000	4,752,000	5,349,563	5,600,000	5,300,000
Construction and rehabilitation	401	143,975,500	116,736,223	123,237,000	126,326,086	126,000,000	134,569,000
Operation and maintenance	401	27,267,000	28,000,000	27,500,000	23,935,106	26,000,000	27,000,000
General administrative expenses	401	3,942,000	4,164,000	4,164,000	3,840,581	4,100,000	4,200,000
Loan program	401			200,000			4,000,000
Emergency fund	401				56,971	500,000	100,000
Permanent authorizations:							
Disposal of Coulee Dam community (indefinite special account)	401		130,000	200,000		46,000	150,000
Colorado River dam fund, Boulder Canyon project:							
Payment of interest on advances from the Treasury (indefinite special account)	401	3,225,836	3,200,000	3,200,000	3,225,836	3,200,000	3,200,000
Payments to States of Arizona and Nevada (definite special account)	401	600,000	600,000	600,000	600,000	600,000	600,000
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder Irrigation Districts) (indefinite special account)	401	66,555	4,500	4,000	11,397	20,000	30,000
Payments to Farmers' Irrigation District (North Platte project, Nebraska-Wyoming) (indefinite special account)	401	8,329	8,000	8,000	8,329	8,000	8,000
Refunds and returns (indefinite)	401	125,000	125,000	125,000	84,743	205,877	125,000
Public enterprise funds:							
Continuing fund for emergency expenses, Fort Peck project, Montana	401				−781,444	−1,330,968	−1,300,000
Upper Colorado River Basin fund (current appropriation)	401	13,000,000	25,142,000	38,425,000	8,129,788	25,000,000	37,000,000
Intragovernmental funds:							
Advances and reimbursements	401				3,685	850	
Proposed for later transmission (under existing legislation):							
Upper Colorado River Basin fund	401		10,000,000			9,000,000	1,000,000
Total, Bureau of Reclamation		197,890,220	194,041,723	202,415,000	170,790,641	198,949,759	215,982,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
GEOLOGICAL SURVEY							
Current authorizations:							
Surveys, investigations, and research	409	$31,602,000	$36,000,000	$36,750,000	$30,887,609	$33,500,000	$37,800,000
Reappropriation	409		415,000				
Permanent authorizations:							
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40 (d) (indefinite special account)	401	680	600	600			
Intragovernmental funds:							
Advances and reimbursements	409				−1,219,871	700,000	200,000
Total, Geological Survey		31,602,680	36,415,600	36,750,600	29,667,738	34,200,000	38,000,000
BUREAU OF MINES							
Current authorizations:							
Conservation and development of mineral resources	403	15,862,750	18,835,000	18,339,000	15,433,028	16,840,000	18,448,000
Health and safety	211	5,304,300	5,900,000	5,900,000	5,271,645	5,107,000	5,854,000
General administrative expenses	403	1,030,000	1,095,000	1,095,000	994,729	1,030,000	1,102,000
Construction	403		23,000		4,130,951	880,000	33,000
Drainage of anthracite mines	403				7,801	2,425,000	4,000,000
Public enterprise funds:							
Development and operation of helium properties	403				−2,221,666	1,166,055	1,648,401
Intragovernmental funds:							
Advances and reimbursements	403				−373,022	139,000	
Total, Bureau of Mines		22,197,050	25,853,000	25,334,000	23,243,466	27,587,055	31,085,401
NATIONAL PARK SERVICE							
Current authorization:							
Management and protection	405	11,585,000	14,150,000	14,632,000	11,409,616	13,498,000	14,500,000
Maintenance and rehabilitation of physical facilities	405	10,135,000	11,600,000	12,000,000	9,942,684	11,009,000	11,800,000
Construction	405	15,250,000	17,400,000	12,400,000	12,021,582	16,289,000	14,000,000
Construction (liquidation of contract authorization)	405	(29,800,000)	(31,000,000)	(22,000,000)	23,829,116	36,162,000	31,577,943
General administrative expenses	405	1,250,000	1,330,000	1,330,000	1,264,877	1,270,000	1,330,000
Permanent authorizations (indefinite special accounts):							
Construction (definite contract authorization)	405	32,000,000	32,000,000				
Educational expenses, children of employees, Yellowstone National Park	405	32,052	32,000	33,500	29,716	26,790	29,095
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park	405	162,117	85,000	30,000	198,086	146,000	37,000
Payment for tax losses on land acquired for Grand Teton National Park	405	27,766	28,380	28,300	26,487	27,210	28,380
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park	405	12,817	25,000	25,000			
Intragovernmental funds:							
Advances and reimbursements	405				−36,305	35,005	2,500
Total, National Park Service		70,454,752	76,650,380	40,478,800	58,685,859	78,463,005	73,304,918
FISH AND WILDLIFE SERVICE							
BUREAU OF SPORT FISHERIES AND WILDLIFE							
Current authorizations:							
Management and investigations of resources:							
Annual definite	404		12,000,000	11,508,000		11,236,000	12,200,000
Annual indefinite	404		446,288	454,625			
Construction	404		5,677,000	1,458,000		3,579,000	3,500,000
General administrative expenses	404		166,190	714,100		153,000	714,000
Upper Mississippi River wildlife refuge	404						9,700
Permanent authorizations:							
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special account)	404	50,000	87,000	69,000	36,724	80,000	70,000
Federal aid in fish restoration and management (receipt limitation)	404	5,149,918	4,717,220	5,000,000	4,323,628	4,500,000	4,000,000
Federal aid in wildlife restoration (indefinite special account)	404	16,995,494	17,842,673	16,055,550	13,669,237	14,000,000	14,000,000
Management of national wildlife refuges (indefinite special account)	404	1,713,914	1,831,805	1,800,000	1,647,916	1,700,000	1,800,000
Migratory bird conservation account (receipt limitation)	404	4,615,601	4,500,000	4,500,000	4,241,687	5,200,000	5,100,000
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special account)	404	571,305	610,601	600,000	571,307	610,601	600,000
Intragovernmental funds:							
Advances and reimbursements	404				−34,245	36,476	
Total, Bureau of Sport Fisheries and Wildlife		29,096,232	47,878,777	42,159,275	24,456,254	41,095,077	41,993,700

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified) 1957 enacted	1958 estimate	1959 estimate	BUDGET EXPENDITURES (from new and prior authorizations) 1957 actual	1958 estimate	1959 estimate
FISH AND WILDLIFE SERVICE—Continued							
BUREAU OF COMMERCIAL FISHERIES							
Current authorizations:							
Management and investigations of resources:							
Annual definite	404		$5,781,000	$5,866,000		$5,653,000	$6,292,713
Annual indefinite	404		446,288	454,625			
Construction	404		700,000	500,000		1,300,000	800,000
General administrative expenses	404		117,510	175,000		108,000	175,000
Administration of Pribilof Islands (receipt limitation) (indefinite)	404	$2,855,705	2,142,184	2,182,200	$1,348,142	1,725,000	1,850,000
Permanent authorizations:							
Promote and develop fishery products and research pertaining to American fisheries (indefinite)	404	4,359,115	4,651,151	4,650,000	4,009,068	4,600,000	4,600,000
Public enterprise funds:							
Fisheries loan fund	404	10,000,000			1,375,613	8,268,810	254,850
Intragovernmental funds:							
Advances and reimbursements	404				−142	5,701	
Total, Bureau of Commercial Fisheries		17,214,820	13,838,133	13,827,825	6,732,681	21,660,511	13,972,563
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE							
Current authorizations:							
Salaries and expenses	404		913,200	307,800		877,000	307,000
MISCELLANEOUS ACCOUNTS							
Current authorizations:							
Management of resources:							
Annual definite	404	10,373,600			10,936,011		
Annual indefinite	404	1,189,877					
Investigations of resources	404	5,105,000			5,225,966		
Construction	404	3,531,000			1,115,622		
General administrative expenses	404	852,500			862,675		
Total, Fish and Wildlife Service		67,363,029	62,630,110	56,294,900	49,329,209	63,632,588	56,273,263
OFFICE OF TERRITORIES							
Current authorizations:							
Administration of Territories	609	2,503,000	1,965,000	2,100,000	2,582,383	1,864,000	2,115,000
Trust Territory of the Pacific Islands	609	4,800,000	4,800,000	4,715,000	4,792,453	4,800,000	4,715,000
Alaska public works	515	4,968,000	6,000,000	4,000,000	7,752,636	7,463,000	6,700,000
Care and custody of Alaska insane, Governor of Alaska	609	300,000			228,774	71,143	
Virgin Islands public works	515				53,738	25,000	67,881
Permanent authorizations:							
Internal revenue collections for Virgin Islands (indefinite special account)	609	2,469,426	3,379,133	3,000,000	2,469,426	3,379,133	3,000,000
Public enterprise funds:							
Alaska Railroad revolving fund	518				3,090,418	3,332,802	2,515,000
Loans to private trading enterprises, Trust Territory of the Pacific Islands	609				−90,348	−28,000	−33,000
Virgin Islands Corporation:							
Contributions (current appropriation)	609	425,000	524,000	130,000			
Revolving fund (current appropriation)	609	125,000			1,452,431	190,970	297,036
Operating fund	609						
Limitation on administrative expenses	609	(160,000)	(160,000)	(160,000)			
Total, Office of Territories		15,590,426	16,668,133	13,945,000	22,331,911	21,098,048	19,376,917
OFFICE OF THE SECRETARY							
Current authorizations:							
Salaries and expenses	409	2,287,000	2,500,000	2,500,000	2,160,013	2,386,000	2,500,000
Intragovernmental funds:							
Working capital fund	409				171,932	−85,488	−1,400
Advances and reimbursements	409				−2,671	2,762	
Total, Office of the Secretary		2,287,000	2,500,000	2,500,000	2,329,274	2,303,274	2,498,600
Total new obligational authority and net budget expenditures		621,843,558	650,650,403	583,153,900	572,176,623	646,932,269	662,664,040

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$495,114,923	$506,839,743	$495,729,350	$572,176,623	$636,953,269	$661,497,040
Appropriations to liquidate contract authorizations		(41,719,780)	(43,395,986)	(30,420,000)			
Reappropriations			433,500				
Permanent authorizations:							
Appropriations		82,332,649	87,790,160	87,004,550			
Contract authorizations		44,395,986	44,420,000	420,000			
Proposed for later transmission:							
Appropriations			11,167,000			9,979,000	1,167,000
Total new obligational authority and budget expenditures		621,843,558	650,650,403	583,153,900	572,176,623	646,932,269	662,664,040

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
BUREAU OF INDIAN AFFAIRS										
Revolving fund for loans	401	$2,517	$1,999	$4,874	$2,630	$1,730	$4,000	−$113	$269	$874
BUREAU OF RECLAMATION										
Continuing fund for emergency expenses, Fort Peck project, Montana	401	1,003	1,576	2,740	1,785	2,907	4,040	−781	−1,331	−1,300
Upper Colorado River Basin fund	401	9,574	25,851	37,000	1,444	851		8,130	25,000	37,000
BUREAU OF MINES										
Development and operation of helium properties	403	3,309	8,655	10,400	5,531	7,489	8,751	−2,222	1,166	1,648
FISH AND WILDLIFE SERVICE										
BUREAU OF COMMERCIAL FISHERIES										
Fisheries loan fund	404	1,407	9,202	1,820	32	933	1,565	1,375	8,269	255
OFFICE OF TERRITORIES										
Alaska Railroad revolving fund	518	20,185	20,554	21,487	17,094	17,221	18,972	3,090	3,333	2,515
Loans to private trading enterprises, Trust Territory of the Pacific Islands	609	8	100	100	98	128	133	−90	−28	−33
Virgin Islands Corporation: Operating fund	609	4,539	3,129	3,136	3,087	2,938	2,839	1,452	191	297
Total, public enterprise funds		42,542	71,066	81,557	31,701	34,197	40,300	10,841	36,869	41,257

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
DEPARTMENTAL OFFICES											
Current authorizations:											
Office of Saline Water		$376		$390		$444	$825	$400	$400		$468
Office of Oil and Gas		34		25		55	550	520	30		55
Office of the Solicitor		123		144		283	2,873	2,723	150		282
Office of Minerals Mobilization		17		11		19	262	255	9		19
Acquisition of strategic minerals			$1,838	3,137		412			412		
Total, departmental offices		550	1,838	3,707		1,213	4,510	3,898	1,001		824
COMMISSION OF FINE ARTS											
Current authorizations:											
Salaries and expenses				4		6	35	32	3		6
BONNEVILLE POWER ADMINISTRATION											
Current authorizations:											
Construction	$4,644	24,832	399	16,284		14,022	21,000	12,800	9,200		13,022
Operation and maintenance		31		98		98	9,170	9,075	95		98
Permanent authorizations:											
Continuing fund for emergency expenses (indefinite special account)	416	500	326	500	$500	500				$500	500
Total, Bonneville Power Administration	5,060	25,363	725	16,882	500	14,620	30,170	21,875	9,295	500	13,620
SOUTHEASTERN POWER ADMINISTRATION											
Current authorizations:											
Operation and maintenance		134		126		190	735	663	190		72
Continuing fund (indefinite special account)	50	50	50	50	50	50				50	50
Proposed for later transmission (under existing legislation):											
Operation and maintenance						67			67		
Total, Southeastern Power Administration	50	184	50	176	50	307	735	663	257	50	122
SOUTHWESTERN POWER ADMINISTRATION											
Current authorizations:											
Construction	1,052	1,193	469	815	847	1,374			580	792	794
Operation and maintenance		46		47		60	975	920	60		55
Continuing fund (indefinite special account)	300	987	300	885	300	1,153	4,405	4,060	290	300	1,208
Total, Southwestern Power Administration	1,352	2,226	769	1,747	1,147	2,587	5,380	4,980	930	1,092	2,057
BUREAU OF LAND MANAGEMENT											
Current authorizations:											
Management of lands and resources		1,732		2,457		4,185	20,940	17,945	3,025		4,155
Construction	2,220	4,158	2,309	4,448	600	4,658	4,435	2,336	3,828		2,929
Range improvements (receipt limitation) (indefinite)	305	451	203	230	167	282	786	440	260	248	368
Permanent authorizations:											
Expenses, sale of timber, etc., on reclamation lands (indefinite special account)							2	2			
Leasing of grazing lands (receipt limitation)		1		1		1	3	3			1
Payments to Oklahoma (royalties) (receipt limitation)							10	10			
Payments to Coos and Douglas Counties, Oregon from receipts, Coos Bay Wagon Road grant lands (indefinite special account)							50	50			
Payments to counties, Oregon and California grant lands (indefinite special account)							11,065	11,065			
Payments to States (grazing fees)							1	1			
Payments to States (proceeds of sales) (receipt limitation)		59					238	238			
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special account)		88		85		85	183	98	85		85
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special account)		59		43		43	261	218	43		43

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
BUREAU OF LAND MANAGEMENT—Continued											
Permanent authorizations—Continued											
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (indefinite special account)		$2		$1		$4	$10	$6	$4		$4
Payments to States from receipts under Mineral Leasing Act (indefinite special account)		1					30,388	29,388			1,000
Payments to Territory of Alaska, income and proceeds, Alaska school lands (indefinite special account)		15		22		22	25	3	22		22
Payments to Alaska, coal leases (indefinite special account)							90	90			
Proposed for later transmission (under existing legislation):											
Management of lands and resources						121			100		21
Total, Bureau of Land Management	$2,525	6,566	$2,512	7,287	$767	9,401	68,487	61,893	7,367	$248	8,628
BUREAU OF INDIAN AFFAIRS											
Current authorizations:											
Education and welfare services:											
Appropriation		3,539		4,808		9,393	57,469	49,987	9,813		7,482
Permanent contract authorization		420		396		420					
Resources management		2,042		2,924		3,827	17,000	13,773	3,827		3,227
Construction	7,416	10,610	909	6,914	1,841	13,374	13,000	6,486	8,914		10,974
Road construction and maintenance (liquidation of contract authorization):											
Appropriation		1,695	5	2,414		3,874			11,874		[1] 3,063
Permanent contract authorization	11,107	14,185	13,156	14,685	13,122	14,685					
General administrative expenses		197		218		399	3,450	3,048	399		402
Payment to Menominee Tribe of Indians						100	200	100	100		100
Distribution of funds of the Creek Indians			146	148	75	85			85		
Payment to Klamath Tribe of Indians							250	200		50	50
Miscellaneous accounts:											
Payment to Pine Ridge Sioux Tribe of Indians			147	147		6			6		
Payment to Indians, States, counties, etc., act of June 11, 1940	2	2	2	2							
Payment to loyal Creeks and Freedmen		539		509		21			21		
Payment to Sioux Indians for property losses, act of May 3, 1928				12							
Redemption of restricted Indian property subject to taxation	5	5	5	5							
Relocation of Yankton Sioux Tribe, Bureau of Indian Affairs	107	107									
Fulfilling treaties with Columbias and Colvilles	3	3	3	3	3	3				3	3
Fulfilling treaties with Winnebagoes	3	3	3	3	3	3				3	3
Payments to Shawnee and affiliated Delaware Indians, Oklahoma, act of Dec. 22, 1927	2	2	2	2	2	2				2	2
Payment to Indians of Klamath Agency, Oregon	3	3	3	3	3	3				3	3
Payments to Indians of Round Valley Reservation, California, for lands	1	1	1	1	1	1				1	1
Payment to absentee Shawnees, for lands	2	2	2	2	2	2				2	2
Permanent authorizations:											
Claims and treaty obligations		10		16		7	140	140	7		
Other miscellaneous permanent appropriations (indefinite special accounts):											
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936	51	51	59	59			10	10			
Indian arts and crafts fund	1	1		2							
Operation and maintenance, Indian irrigation systems	1,844	2,022	1,899	2,125	1,831	2,636	3,000	126	2,527	1,788	2,983
Power systems, Indian irrigation projects	935	1,132	642	1,102	622	1,132	1,487	406	1,059	651	1,154
Purchase of land for Rocky Boy's Reservation, Montana	11	11	11	11							
Colorado River Indian reservation, northern reserve	13	13	38	38		53	100	100	53		
Colorado River Indian reservation, southern reserve	11	11	14	16			12	12			
Public enterprise funds:											
Revolving fund for loans	7,833	7,833	7,946	7,946	7,676	7,676			874	6,802	6,802
Total, Bureau of Indian Affairs	29,350	44,439	24,993	44,511	25,181	57,702	96,119	74,389	39,559	9,305	36,251

See footnote at end of table, p. 634.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
BUREAU OF RECLAMATION											
Current authorizations:											
General investigations	$150	$855	$568	$1,186	$603	$1,518	$4,752	$3,804	$1,496	$22	$970
Construction and rehabilitation	30,749	69,236	28,124	86,885	174	67,851	123,237	66,812	67,757	94	56,519
Operation and maintenance		4,088		3,662		5,462	27,500	21,538	5,462		5,962
General administrative expenses		199		207		271	4,164	3,929	271		235
Emergency fund	982	1,001	925	944	300	444			100		344
Loan program					2,268	9,770	200	200	3,800		5,970
Permanent authorizations:											
Disposal of Coulee Dam community (indefinite special account)						84	200	66	84		134
Colorado River dam fund, Boulder Canyon project:											
Payment of interest on advances from the Treasury (indefinite special account)							3,200	3,200			
Payments to States of Arizona and Nevada (indefinite special account)							600	600			
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder irrigation districts) (indefinite special account)	18	18	73	73	58	58	4		30	32	32
Payment to Farmers' irrigation district (North Platte project, Nebraska-Wyoming) (indefinite special account)							8	8			
Refunds and returns (indefinite)	41	41	81	81			125	125			
Public enterprise funds:											
Continuing fund for emergency expenses, Fort Peck project, Montana	641	581	803	506	650	500			−1,300	650	[2] 500
Upper Colorado River Basin fund			1,868	4,870	1,500	5,012	38,425	31,988	5,012		6,437
Intragovernmental funds:											
Advances and reimbursement	2	5	1	1							
Proposed for later transmission:											
Upper Colorado River Basin fund						1,000			1,000		
Total, Bureau of Reclamation	32,583	76,024	32,443	98,415	5,553	91,970	202,415	132,270	83,712	798	77,103
GEOLOGICAL SURVEY											
Current authorizations:											
Surveys, investigations, and research	475	1,495	475	2,108	475	4,593	36,750	35,800	2,000	400	3,543
Permanent authorizations:											
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40 (d) (indefinite special account)	10	10	10	10	11	11	1			12	12
Intragovernmental funds:											
Advances and reimbursements	59	125	29	1,268		568			200		368
Total, Geological Survey	544	1,630	514	3,386	486	5,172	36,751	35,800	2,200	412	3,923
BUREAU OF MINES											
Current authorizations:											
Conservation and development of mineral resources		1,634		2,060		3,559	18,339	15,100	3,348		3,450
Health and safety		406		413		1,069	5,900	4,915	939		1,115
Construction	3,669	5,785	1,244	1,652	723	795			33	723	762
General administrative expenses		44		63		128	1,095	1,000	102		121
Drainage of anthracite mines	8,500	8,500	8,171	8,492	4,171	6,067			4,000	1,171	2,067
Public enterprise funds:											
Development and operation of helium properties	4,599	5,045	5,559	7,267	2,164	5,601			1,648	3,624	3,952
Intragovernmental funds:											
Advances and reimbursements	91	146	168	439	185	300				150	300
Total, Bureau of Mines	16,859	21,560	15,142	20,386	7,243	17,519	25,334	21,015	10,070	5,668	11,767
NATIONAL PARK SERVICE											
Current authorizations:											
Management and protection		956		1,110		1,749	14,632	13,375	1,125		1,881
Maintenance and rehabilitation of physical facilities		1,118		1,281		1,862	12,000	10,450	1,350		2,062
Construction	5,415	9,671	6,590	12,900	3,492	14,011	12,400	6,500	7,500		12,411

See footnotes at end of table, p. 634.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
NATIONAL PARK SERVICE—Continued											
Current authorizations—Continued											
Construction (liquidation of contract authorization)		$8,769		$14,740					$31,578		
Permanent contract authorization	$28,667	37,852	$35,257	40,053	$34,022	$50,631					[3] $12,386
General administrative expenses		87		70		130	$1,330	$1,258	72		130
Permanent authorizations (indefinite special accounts):											
Educational expenses, children of employees, Yellowstone National Park	7	7	9	9	4	4	34	29		$4	[4] 4
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park	40	129	66	93	15	33	30	10	27	15	26
Payment for tax losses on land acquired for Grand Teton National Park	26	26	28	28	28	28	28		28	28	28
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park	29	29	42	42	67	67	25			92	92
Intragovernmental funds:											
Advances and reimbursements	1	1	11	37		2			2		
Total, National Park Service	34,185	58,645	42,003	70,363	37,628	68,517	40,479	31,623	41,682	139	29,020
FISH AND WILDLIFE SERVICE											
BUREAU OF SPORT FISHERIES AND WILDLIFE											
Current authorizations:											
Management and investigations of resources				1,236		1,839	11,963	10,388	1,812		1,602
Construction			2,794	3,272	3,024	5,370	1,458	1,000	2,500		3,328
General administrative expenses						63	714	651	63		63
Miscellaneous: Upper Mississippi River Wildlife Refuge	1	11	1	11	1	11			10	1	1
Permanent authorizations:											
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special account)	6	6	11	13	5	10	69	65	5		[5] 4
Federal aid in fish restoration and management (receipt limitation, general account) (indefinite special account)	2,747	8,293	1,584	9,119	1,026	9,336	5,000	750	3,250	595	10,336
Federal aid in wildlife restoration (indefinite special account)	10,473	21,635	5,716	24,962	4,309	28,804	16,055	750	13,250	1,210	30,859
Management of national wildlife refuges (indefinite special account)	37	440	243	506	284	638	1,800	1,450	350	227	638
Migratory bird conservation account (receipt limitation) (indefinite)	3,441	4,700	4,091	5,074	2,736	4,374	4,500	3,800	1,300	2,188	3,774
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special account)							600	600			
Intragovernmental funds:											
Advances and reimbursements	1	2	28	36							
Total, Bureau of Sport Fisheries and Wildlife	16,706	35,087	14,468	44,229	11,385	50,445	42,159	19,454	22,540	4,221	50,605
BUREAU OF COMMERCIAL FISHERIES											
Current authorizations:											
Management and investigations of resources			18	642		1,091	6,321	5,448	845		1,119
Construction			904	957	300	357	500	500	300		57
General administrative expenses						18	175	157	18		18
Administration of Pribilof Islands (receipt limitation, annual indefinite)	167	490	721	998	547	915	2,182	1,025	825	413	[6] 747
Permanent authorizations:											
Promote and develop fishery products and research pertaining to American fisheries (indefinite)	2,677	3,777	1,212	4,127	278	4,178	4,650	4,150	450		4,228
Public enterprise funds:											
Fisheries loan fund			6,728	8,624	401	356			255	166	101
Intragovernmental funds:											
Advances and reimbursements	3	6	1	6							
Total, Bureau of Commercial Fisheries	2,847	4,273	9,584	15,354	1,526	6,915	13,828	11,280	2,693	579	6,270

See footnotes at end of table, p. 634.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FISH AND WILDLIFE SERVICE—Continued											
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE											
Current authorizations:											
Salaries and expenses				$29		$7	$308	$300	$7		$8
MISCELLANEOUS ACCOUNTS											
Current authorizations:											
Management of resources	$17	$812									
Investigations of resources		733									
Construction	1,137	1,814									
General administrative expenses		44									
Total, Fish and Wildlife Service	20,707	42,763	$24,052	59,612	$12,911	57,367	56,295	31,034	25,240	$4,800	56,883
OFFICE OF TERRITORIES											
Current authorizations:											
Administration of Territories		154		47		148	2,100	2,050	65		133
Trust Territory of the Pacific Islands		8		6		6	4,715	4,709	6		6
Alaska public works	4,840	11,935	3,174	9,151	1,604	7,688	4,000	1,700	5,000		4,988
Care and custody of Alaska insane, Governor of Alaska				71							
Virgin Islands public works	363	424	366	371	278	346			68		[7]
Permanent authorizations:											
Internal revenue collections for Virgin Islands (indefinite special account)							3,000	3,000			
Public enterprise funds:											
Alaska Railroad revolving fund	14,005	17,140	10,032	14,050	7,442	10,717			2,515	3,923	8,202
Loans to private trading enterprises, Trust Territory of the Pacific Islands	151	151	241	241	269	269			−33	262	[8] 262
Virgin Islands Corporation:											
Revolving fund	1,456	1,338	1,609	463	1,789	463	130	130	167	1,906	183
Operating fund		55		28		361					474
Total, Office of Territories	20,815	[1] 31,205	15,422	24,428	11,382	19,998	13,945	11,589	7,788	6,091	14,248
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		110		122		236	2,500	2,375	125		236
Intragovernmental funds:											
Working capital fund	262	311	222	139	250	224			−1	251	226
Advances and reimbursements	1	9	3	20		18					17
Total, Office of the Secretary	263	430	235	281	250	478	2,500	2,375	124	251	479
Total, Department of the Interior	164,293	311,585	160,698	351,185	103,098	346,857	583,154	433,436	229,229	29,354	254,931
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$95,439	$226,386	$77,026	$250,110	$33,628	$247,866				$11,620	[9] $203,217
Contract authorization	39,749	52,458	48,413	55,134	47,144	65,736					[10] 23,869
Revolving and management funds:							$583,154	$433,436	$228,062		
Public enterprise funds	28,685	32,143	34,786	43,995	21,891	30,955				17,333	[11] 26,913
Intragovernmental funds	420	598	473	1,946	435	1,112				401	911
Proposed for later transmission:											
Appropriations						1,188			1,167		21
Total, Department of the Interior	164,293	311,585	160,698	351,185	103,098	346,857	583,154	433,436	229,229	29,354	254,931

[1] Excludes unobligated balance rescinded in 1959 of $3,622 thousand.
[2] Excludes capital transfer in 1959 of $1,300 thousand.
[3] Excludes unobligated balance rescinded in 1959 of $6,667 thousand.
[4] Excludes unobligated balance no longer available in 1959 of $4 thousand.
[5] Excludes unobligated balance no longer available in 1959 of $5 thousand.
[6] Excludes unobligated balance no longer available in 1959 of $500 thousand.
[7] Excludes unobligated balance no longer available in 1959 of $278 thousand.
[8] Excludes capital transfer in 1959 of $40 thousand.
[9] Excludes unobligated balance no longer available in 1959 of $786 thousand.
[10] Excludes unobligated balance rescinded in 1959 of $10,289 thousand.
[11] Excludes capital transfer in 1959 of $1,340 thousand.

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SUMMARY BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$226,386	$250,110	$247,866
Contract authorizations	52,458	55,134	65,736
Revolving and management funds	32,741	45,941	32,067
Proposed for later transmission: Appropriations			1,188
Total balances brought forward	311,585	351,185	346,857
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	495,115	506,840	495,729
Appropriations to liquidate contract authorizations	(41,720)	(43,396)	(30,420)
Reappropriations		434	
Total new obligational authority under current authorizations	495,115	507,274	495,729
Permanent authorizations:			
Appropriations	82,333	87,790	87,005
Contract authorizations	44,396	44,420	420
Total new obligational authority under permanent authorizations	126,729	132,210	87,425
Total new obligational authority enacted or recommended	621,844	639,483	583,154
Proposed for later transmission: Appropriations		11,167	
Total new obligational authority	621,844	650,650	583,154
Other amounts available: Restored from certified claims account	501		
Total budget authorizations available	933,930	1,001,837	930,011
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	572,177	636,953	433,436
Out of balances of prior obligational authority			228,062
Total expenditures from obligational authority enacted or recommended	572,177	636,953	661,498
From obligational authority proposed for later transmission:			
Out of new obligational authority		9,979	
Out of balances of prior obligational authority			1,167
Total budget expenditures	572,177	646,932	662,664
Amounts no longer available:			
Unobligated balances rescinded			10,289
Unobligated balances expiring and lapsing	7,945	6,211	786
Capital transfers from revolving funds to receipt accounts	856	1,837	1,340
Adjustment of balances downward in expiring accounts, net	1,767		
Total amounts no longer available	10,568	8,048	12,415
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	250,110	247,866	203,217
Contract authorizations	55,134	65,736	23,869
Revolving and management funds	45,941	32,067	27,824
Proposed for later transmission: Appropriations		1,188	21
Total balances carried forward at close of year	351,185	346,857	254,931
Obligations incurred, net	$616,638	$700,204	$644,483

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DEPARTMENTAL OFFICES

Current authorizations:

Office of Saline Water

SALARIES AND EXPENSES

For expenses necessary to carry out provisions of the Act of July 3, 1952, as amended (42 U. S. C. 1951–1958), authorizing studies of the conversion of saline water for beneficial consumptive uses, [$725,000] *$825,000.* (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$725,000** Estimate 1959, **$825,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration and coordination	$100,663	$125,000	$165,000
2. Research and development:			
Contracts and grants non-Federal	359,300	540,000	600,000
Federal laboratories	50,000	60,000	60,000
Total obligations	509,963	725,000	825,000
Financing:			
Unobligated balance no longer available	40,037		
Appropriation (new obligational authority)	550,000	725,000	825,000

This program provides for research to develop low-cost processes for converting saline water to fresh water in quantities sufficient for municipal, industrial, and agricultural use.

1. *Administration and coordination.*—This activity covers departmental administration of federally sponsored research, coordination of approximately 100 known Federal and non-Federal research projects, and stimulation of private and public saline water research.

2. *Research and development.*—This activity relates to the federally sponsored research and evaluation work accomplished by means of contract or grant to Federal or non-Federal agencies, institutions, and consultants.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		15	17	20
Average number of all employees		12	15	19
Number of employees at end of year		14	17	20
Average GS grade and salary		9.3 $6,798	9.4 $6,998	9.6 $7,093
01	Personal services:			
	Permanent positions	$79,641	$103,100	$132,500
	Positions other than permanent	1,229	1,500	3,000
	Other personal services	2,237	1,400	1,500
	Total personal services	83,107	106,000	137,000
02	Travel	7,029	7,000	11,000
03	Transportation of things	24		
04	Communication services	2,238	1,800	2,000
06	Printing and reproduction	3,749	1,500	2,000
07	Other contractual services	361,665	516,000	576,000
	Services performed by other agencies	50,000	60,000	60,000
08	Supplies and materials	1,050	1,000	1,500
09	Equipment	1,060	500	1,500
11	Grants, subsidies, and contributions		31,200	34,000
15	Taxes and assessments	41		
	Total obligations	509,963	725,000	825,000

Office of Oil and Gas

SALARIES AND EXPENSES

For necessary expenses to enable the Secretary to discharge his responsibilities with respect to oil and gas, including cooperation with the petroleum industry and State authorities in the production, processing, and utilization of petroleum and its products, and natural gas; and for controlling the interstate shipment of contraband oil as required by law (15 U. S. C. 715); [including purchase of not to exceed two passenger motor vehicles for replacement only; $585,000] *$550,000.* (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$585,000** Estimate 1959, **$550,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Coordination of oil and gas activities	$293,517	$373,950	$350,400
2. Enforcement of the Connally Hot Oil Act	142,572	199,600	199,600
Total obligations	436,089	573,550	550,000
Financing:			
Unobligated balance no longer available	77,711	11,450	
Appropriation (new obligational authority)	513,800	585,000	550,000

1. *Coordination of oil and gas activities.*—This Office provides coordination and advice to the Federal Government on all phases of petroleum and gas. Studies, domestic and worldwide, are made to maintain data on adequacy of petroleum and gas, to define deficient areas or elements, and to develop ways to alleviate actual or potential deficiencies.

2. *Enforcement of the Connally Hot Oil Act.*—Oil fields and individual leases are inspected. In support of the State conservation laws, the use of interstate facilities for the shipment of contraband oil is being prohibited.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		63	69	69
Full-time equivalent of all other positions			1	1
Average number of all employees		52	66	62
Number of employees at end of year		54	68	62
Average GS grade and salary		9.4 $7,237	9.5 $7,129	9.5 $7,195
01	Personal services:			
	Permanent positions	$370,172	$458,850	$438,800
	Positions other than permanent	2,512	5,000	5,000
	Other personal services	388	2,300	2,300
	Total personal services	373,072	466,150	446,100
02	Travel	19,461	24,000	24,000
03	Transportation of things	645	900	900
04	Communication services	9,416	11,500	11,500
06	Printing and reproduction	6,063	13,000	13,000
07	Other contractual services	2,760	3,000	3,000
	Services performed by other agencies	13,804	15,000	15,000
08	Supplies and materials	6,109	7,000	7,000
09	Equipment	4,494	3,500	500
11	Grants, subsidies, and contributions		29,000	28,500
15	Taxes and assessments	265	500	500
	Total obligations	436,089	573,550	550,000

Office of the Solicitor

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, [$2,900,000] *$2,873,000,* and in addition, not to exceed $100,000 may be reimbursed or transferred to this appropriation from other accounts available to the Department of the Interior: *Provided,* That hearing officers appointed for Indian probate work need not be appointed pursuant to the Administrative Procedure Act (60 Stat. 237), as amended[: *Provided further,* That not to exceed $18,500 of the unobligated balance remaining on June 30, 1957, of the appropriation granted under this head in the Department of the Interior and Related Agencies Appropriation Act, 1957, shall remain available during the current fiscal year for printing the Handbook of Indian Federal Law]. (*5 U. S. C. 483a; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$2,900,000** Estimate 1959, **$2,873,000**

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DEPARTMENTAL OFFICES—Continued

Current authorizations—Continued

OFFICE OF THE SOLICITOR—Continued

SALARIES AND EXPENSES—continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Legal services (total obligations)	$2,719,427	$3,007,375	$2,973,000
Financing:			
Advances and reimbursements from other accounts	−82,000	−100,000	−100,000
Unobligated balance no longer available	132,573	11,125	
New obligational authority	2,770,000	2,918,500	2,873,000
New obligational authority:			
Appropriation	$2,835,000	$2,900,000	$2,873,000
Transferred to "Salaries and expenses," Office of the Secretary (71 Stat. 180)	−65,000		
Appropriation (adjusted)	2,770,000	2,900,000	2,873,000
Reappropriation		18,500	

This Office furnishes legal services to the Secretary and the heads of the constituent bureaus of the Department. All attorneys and auxiliary personnel (with the exception of those in the Pacific Trust Territory) are under the supervision of the Solicitor.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	404	402	402
Full-time equivalent of all other positions	1	1	1
Average number of all employees	366	375	371
Number of employees at end of year	364	380	377
Average GS grade and salary	8.8 $6,538	8.7 $6,616	8.7 $6,688
Personal service obligations:			
Permanent positions	$2,385,114	$2,487,492	$2,487,445
Positions other than permanent	6,008	5,000	5,000
Other personal services	18,576	32,883	33,055
Total personal service obligations	2,409,698	2,525,375	2,525,500
Direct obligations:			
01 Personal services	2,341,902	2,442,375	2,442,500
02 Travel	96,186	95,000	95,000
03 Transportation of things	5,927	5,000	5,000
04 Communication services	41,417	45,000	45,000
05 Rents and utility services	14,416	14,000	
06 Printing and reproduction	20,287	43,000	20,000
07 Other contractual services	9,084	9,000	9,000
Services performed by other agencies	41,980	41,000	41,000
08 Supplies and materials	13,920	15,000	13,000
09 Equipment	45,577	45,000	43,000
11 Grants, subsidies, and contributions		148,000	156,000
13 Refunds, awards, and indemnities	3,770	4,000	3,000
15 Taxes and assessments	2,961	1,000	500
Total direct obligations	2,637,427	2,907,375	2,873,000
Reimbursable obligations:			
01 Personal services	67,796	83,000	83,000
02 Travel	2,828	2,008	2,800
03 Transportation of things	170		200
04 Communication services	850	800	800
05 Rents and utility services	283	200	
06 Printing and reproduction	4,549	4,000	4,000
07 Other contractual services	4,032	3,000	3,000
08 Supplies and materials	289	200	200
09 Equipment	1,203	1,000	1,000
11 Grants, subsidies, and contributions		5,000	5,000
Total reimbursable obligations	82,000	100,000	100,000
Total obligations	2,719,427	3,007,375	2,973,000

OFFICE OF MINERALS MOBILIZATION

SALARIES AND EXPENSES

For expenses necessary to enable the Secretary to discharge his responsibilities, including cooperation with the metals and minerals industry, with respect to the conservation, exploration, development, production, and utilization of mineral resources, including solid fuels, [$263,000] *$262,000. (30 U. S. C. 3; 43 U. S. C. 31; 1950 Reorg. Plan No. 3 of 1950, 64 Stat. 1262; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$263,000** Estimate 1959, **$262,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Coordination of activities (total obligations)	$186,412	$262,250	$262,000
Financing:			
Unobligated balance no longer available	113,588	750	
Appropriation (new obligational authority)	300,000	263,000	262,000

The Office of Minerals Mobilization provides coordination and advice to the Federal Government on all phases of metals, minerals, and solid fuels, both United States and abroad, to assure adequate development, distribution, utilization, and conservation of resources and facilities to meet essential civilian and military mobilization requirements. This includes detailed mobilization planning for the production of metals, minerals, and solid fuels as delegated by the Office of Defense Mobilization.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	26	25	25
Full-time equivalent of all other positions	2	2	2
Average number of all employees	19	25	24
Number of employees at end of year	20	26	26
Average GS grade and salary	11.0 $8,670	11.0 $8,616	11.0 $8,665
01 Personal services:			
Permanent positions	$146,406	$194,950	$199,700
Positions other than permanent	10,498	10,000	5,000
Other personal services	240	1,200	1,200
Total personal services	157,144	206,150	205,900
02 Travel	7,253	18,000	18,000
03 Transportation of things		400	400
04 Communication services	2,330	4,000	4,000
06 Printing and reproduction	1,666	2,700	2,700
07 Other contractual services	466	4,000	4,000
Services performed by other agencies	14,568	10,000	10,000
08 Supplies and materials	1,286	1,500	1,500
09 Equipment	1,203	3,000	3,000
11 Grants, subsidies, and contributions		12,000	12,000
15 Taxes and assessments	496	500	500
Total obligations	186,412	262,250	262,000

[ACQUISITION OF STRATEGIC MINERALS]

[For necessary expenses in carrying out the provisions of the "Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956" (70 Stat. 579), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $6,700,000: *Provided*, That none of the funds appropriated in this paragraph shall be available for purchases authorized in section 2a of said Act.] *(Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$6,700,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition of materials:			
(a) Cost of materials purchased	$18,972,006	$8,217,930	
(b) Operating expense	16,185	19,000	
2. Custody of materials:			
(a) Storage and handling	117,686	244,600	
(b) Operating expense	36,593	36,000	
3. Administrative operations	20,000	20,000	
Total obligations	19,162,470	8,537,530	
Financing:			
Unobligated balance brought forward		−1,837,530	
Unobligated balance carried forward	1,837,530		
Appropriation (new obligational authority)	21,000,000	6,700,000	

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Limited amounts of tungsten, asbestos, fluorspar, and columbium-tantalum are acquired at specified prices. In addition, administrative expenses, handling, storage, and other charges are borne by this appropriation pending transfer of the materials to the strategic or supplemental stockpile.

Funds are transferred to the General Services Administration which administers the program (along with the stockpile program) under the general policies of the Secretary of the Interior. The program will terminate December 31, 1958, or upon acquisition of the quantities authorized.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	15	12	
Full-time equivalent of all other positions	1		
Average number of all employees	8	7	
Number of employees at end of year	12	6	
Average GS grade and salary	7.3 $5,538	7.6 $5,586	
01 Personal services:			
Permanent positions	$41,860	$41,000	
Positions other than permanent	3,299		
Other personal services	629	600	
Total personal services	45,788	41,600	
02 Travel	3,075	3,000	
03 Transportation of things	126,029	75,000	
04 Communication services	766	600	
05 Rents and utility services	70	100	
06 Printing and reproduction	172	200	
07 Other contractual services	105,532	200,000	
Payment to "Administrative operations fund," General Services Administration	20,000	20,000	
08 Supplies and materials	18,846,779	8,144,130	
10 Lands and structures	14,054	50,000	
11 Grants, subsidies, and contributions		2,800	
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	55	100	
Total obligations	19,162,470	8,537,530	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are carried in the schedules of the parent appropriations as follows:
"Mutual security," funds appropriated to the President.
"Forest protection and utilization," Forest Service, Department of Agriculture.
"Watershed protection," Soil Conservation Service, Department of Agriculture.

COMMISSION OF FINE ARTS

Current authorizations:

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U. S. C. 104), including payment of actual traveling expenses of the members and secretary of the Commission in attending meetings and committee meetings of the Commission either within or outside the District of Columbia, to be disbursed on vouchers approved by the Commission, $35,000. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$35,000** Estimate 1959, **$35,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$30,743	$35,000	$35,000
Financing:			
Unobligated balance no longer available	257		
Appropriation (new obligational authority)	31,000	35,000	35,000

The Commission advises the President, Congress, and the department heads on matters of architecture, sculpture, painting, and other fine arts.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	4	4	4
Average number of all employees	4	4	4
Number of employees at end of year	4	4	4
Average GS grades and salary	8.0 $5,714	9.5 $6,321	9.5 $6,422
01 Personal services:			
Permanent positions	$21,490	$24,700	$25,600
Positions other than permanent		1,500	600
Other personal services		100	100
Total personal services	21,490	26,300	26,300
02 Travel	2,769	2,800	2,800
04 Communication services	704	700	700
06 Printing and reproduction	301	300	300
07 Other contractual services	2,122	2,100	2,100
08 Supplies and materials	786	800	800
09 Equipment	2,571	500	500
11 Grants, subsidies, and contributions		1,500	1,500
Total obligations	30,743	35,000	35,000

BONNEVILLE POWER ADMINISTRATION

CONSTRUCTION

For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, *$21,000,000,* to remain available until expended[, $22,038,000]. (*16 U. S. C. 832–832l Executive Order 8526; 43 U. S. C. 593–A; 16 U. S. C. 825s; 59 Stat. 10, 21–22; 62 Stat. 382; 43 U. S. C. 389, 485h; Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$22,038,000** Estimate 1959, **$21,000,000**

Program and Financing

	Cost to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:									
1. Construction in progress	$139,061,626	$43,550,931	$25,712,414	$24,974,027	$20,667,000	$22,457,194	$21,966,298	$14,850,000	$14,850,000
2. New construction	15,183,000				1,399,000			5,679,000	5,679,000
3. General plant	1,431,063		404,063	475,000	471,000	487,160	471,000	471,000	471,000
Total program costs	155,675,689	43,550,931	26,116,477	25,449,027	22,537,000				
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)			−3,172,123	−3,011,729	−1,537,000				
Total program (obligations)			22,944,354	22,437,298	21,000,000	22,944,354	22,437,298	21,000,000	
Financing:									
Unobligated balance brought forward						−4,643,652	−399,298		
Unobligated balance carried forward						399,298			
Appropriation (new obligational authority)						18,700,000	22,038,000	21,000,000	21,000,000

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BONNEVILLE POWER ADMINISTRATION—Con.

CONSTRUCTION—Continued

The 1959 construction program provides for additional transmission and substation capacity, including service connections, to deliver at load centers the increased power production from Federal generating plants under construction in the Pacific Northwest. It also provides for wheeling power generated in non-Federal hydroelectric plants. Construction of transmission facilities will conform with Federal generation schedules as follows:

Project:	Jurisdiction	Initial generation (fiscal year)	Installed capacity (thousands of kilowatts) Current or first year	Ultimate
Bonneville	Corps of Engineers	In operation	518.4	518.4
Grand Coulee	Bureau of Reclamation	do	1,944.0	1,944.0
Hungry Horse	do	do	285.0	285.0
Detroit	Corps of Engineers	do	100.0	100.0
McNary	do	do	980.0	980.0
Big Cliff	do	do	18.0	18.0
Lookout Point	do	do	120.0	120.0
Dexter	do	do	15.0	15.0
Albeni Falls	do	do	42.6	42.6
Chandler	Bureau of Reclamation	do	12.0	12.0
Chief Joseph	Corps of Engineers	do	896.0	1,024.0
The Dalles	do	do	339.0	1,119.0
Roza	Bureau of Reclamation	do	11.25	11.25
Hills Creek	Corps of Engineers	1962	30.0	30.0
Cougar	do	1963	25.0	25.0
Ice Harbor	do	1964	270.0	270.0

On July 1, 1958, the installed generating capacity on the Federal system will be 5,281,250 kilowatts with a corresponding peaking capability of 6,057,300 kilowatts. The installed capacity by July 1, 1963, will be 6,244,250 kilowatts with a peaking capability of 7,170,000 kilowatts.

The relationship of costs to obligations is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	1957 actual	1958 estimate	1959 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects):				
Warehouse stock	$5,579,626	$5,979,899	$5,269,000	$5,225,000
Project storage yards	3,264,500	2,722,397	2,500,000	1,982,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	14,122,001	10,882,776	9,000,000	8,200,000
Deferred items (net charges not assigned to specific projects)	186,725	395,657	200,000	25,000
Total selected resources at end of year	23,152,852	19,980,729	16,969,000	15,432,000
Selected resources at start of year (−)	−23,152,852	−19,980,729	−16,969,000	
Costs financed from obligations of other years, net (−)		−3,172,123	−3,011,729	−1,537,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,250	1,240	1,208
	Full-time equivalent of all other positions	126	56	52
	Average number of all employees	1,316	1,280	1,246
	Number of employees at end of year	1,387	1,309	1,263
	Average GS grade and salary	8.0 $5,866	8.0 $5,911	8.0 $5,912
	Average salary of ungraded positions	$5,754	$6,038	$6,054
01	Personal services:			
	Permanent positions	$6,940,756	$7,301,600	$7,127,000
	Positions other than permanent	640,322	283,700	262,000
	Other personal services	291,730	156,700	125,000
	Excess of annual leave earned over leave taken	17,834		
	Total personal services	7,890,642	7,742,000	7,514,000
02	Travel	816,896	810,000	767,000
03	Transportation of things	187,421	174,000	178,000
04	Communication services	95,921	86,000	87,000
05	Rents and utility services	100,703	70,000	116,000
06	Printing and reproduction	7,125	6,000	6,000
07	Other contractual services	484,246	909,000	450,000
08	Supplies and materials	5,109,142	4,289,282	3,800,000
09	Equipment	3,262,947	4,040,000	5,100,000
10	Lands and structures	6,243,890	5,205,000	3,634,000
11	Grants, subsidies, and contributions	10,890	470,000	467,000
13	Refunds, awards, and indemnities	22,319	27,546	39,000
	Subtotal	24,232,142	23,828,828	22,158,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Less services performed for—			
Operation and maintenance	$714,678	$723,800	$758,500
Other accounts	573,110	667,730	399,500
Total obligations	22,944,354	22,437,298	21,000,000

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of the Bonneville transmission system and of marketing electric power and energy, [$8,630,000] *$9,170,000. (16 U. S. C. 832–832l; Executive Order 8526; 43 U. S. C. 593–A; 16 U. S. C. 825s; 59 Stat. 10, 21–22; 62 Stat. 382; 43 U. S. C. 389, 485h; Public Works Appropriation Act, 1958.)*

Appropriated 1958, **$8,630,000** Estimate 1959, **$9,170,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. System operation and maintenance	$6,547,943	$7,563,000	$8,067,000
2. Power contracts and rates	272,149	290,000	295,000
3. General administration	673,045	777,000	808,000
Total program costs	7,493,137	8,630,000	9,170,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	77,408		
Total program (obligations)	7,570,545	8,630,000	9,170,000
Financing:			
Unobligated balance no longer available	24,455		
Appropriation (new obligational authority)	7,595,000	8,630,000	9,170,000

This program provides for the operation and maintenance of the Administration's high voltage electric grid system, and for commercial and administrative expenses in marketing wholesale electric power from Federal dams in the Pacific Northwest.

1. *System operation and maintenance.*—This activity consists of the scheduling and dispatching of power; the operation of substations; the maintenance of transmission lines, substations and other electrical facilities; load estimating; the integration of resources; and system engineering.

Transmission facilities of the Administration are expanded as increased generating capacity becomes available. It is necessary to man newly energized substations, schedule and dispatch the increased power supply, and provide service through additional points of delivery and interconnection. Additional maintenance personnel are required throughout the transmission area to maintain the expanded system at levels adequate to insure safe and continuous operation. Power resources and requirements work will be continued to obtain the fullest utilization of generating capacity, streamflows and stored water. The following table shows the rising trend in several of the more important indexes of the operation and maintenance activity.

	1957 actual	1958 estimate	1959 estimate
Transmission lines, structure miles	6,730	6,848	7,186
Number of substations	178	183	188
Transformer capacity, kilovolt-amperes	8,009,000	10,776,000	12,907,000
Energy sales (millions of kilowatt-hours)	28,216	30,600	34,200
Points of delivery	334	345	353

2. *Power contracts and rates.*—This activity consists of the negotiation of power sales contracts, billing and servicing contracts, including the development of service plans, and establishment of wholesale rate schedules. Re-

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ceipts which are deposited in the Treasury amounted to $61,873,196 in 1957, and are estimated at $71,000,000 and $79,100,000 for 1958 and 1959.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$31,445	$97,830	$97,830	$97,830
Selected resources at start of year (−)		−31,445	−97,830	−97,830
Adjustment of selected resources reported at start of year		11,023		
Obligations incurred for costs of other years, net		77,408		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	933	970	1,040
Full-time equivalent of all other positions	27	28	22
Average number of all employees	918	984	1,051
Number of employees at end of year	1,036	1,026	1,106
Average GS grade and salary	8.0 $5,866	8.0 $5,911	8.0 $5,912
Average salary of ungraded positions	$5,754	$6,038	$6,054
01 Personal services:			
Permanent positions	$5,203,945	$5,721,100	$6,150,300
Positions other than permanent	133,205	139,500	108,000
Other personal services	157,400	192,600	195,900
Excess of annual leave earned over leave taken	72,812	62,900	68,200
Total personal services	5,567,362	6,116,100	6,522,400
02 Travel	199,197	199,000	233,300
03 Transportation of things	28,604	29,300	30,900
04 Communication services	181,944	196,800	211,300
05 Rents and utility services	87,802	100,000	126,300
06 Printing and reproduction	2,893	3,100	2,700
07 Other contractual services	301,229	353,800	390,100
Services performed by other accounts	714,678	723,800	758,500
08 Supplies and materials	464,194	502,300	469,500
11 Grants, subsidies, and contributions	7,634	386,300	406,800
13 Refunds, awards, and indemnities	15,098	19,500	18,200
Total obligations	7,570,545	8,630,000	9,170,000

Administrative Provisions

Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law, including purchase of one aircraft *for replacement only.* Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

Other than as may be necessary to meet local emergencies, not to exceed 12 per centum of the appropriation for construction herein made for the Bonneville Power Administration shall be available for construction work by force account or on a hired-labor basis. *(16 U. S. C. 832–832l; Executive Order 8526; 43 U. S. C. 593–A; 16 U. S. C. 825s; 59 Stat. 10, 21–22; 62 Stat. 382; 43 U. S. C. 389, 485h; Public Works Appropriation Act, 1958.)*

Permanent authorizations:

Continuing Fund for Emergency Expenses

(Indefinite special account)

Appropriated (est.) 1958, **$209,500**

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balances brought forward	$3,423,842	$3,519,038	$4,354,538
Receipts	61,873,196	71,000,000	79,100,000
Total available for appropriation	65,297,038	74,519,038	83,454,538
Covered into miscellaneous receipts	−45,470,000	−53,560,000	−60,000,000
Receipts transferred to—			
"Reclamation fund, special fund"	−12,755,000	−12,835,000	−12,835,000
"Reclamation fund, suspense account"	−3,553,000	−3,560,000	−3,560,000
Appropriation		−209,500	
Unappropriated balance carried forward	3,519,038	4,354,538	7,059,538

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Emergency expense (total costs—obligations)	$302,424	$35,330	
Financing:			
Unobligated balance brought forward	−415,758	−325,830	−$500,000
Advances and reimbursements from other accounts	−212,496		
Unobligated balance carried forward	325,830	500,000	500,000
Appropriation (new obligational authority)		209,500	

A continuing fund of $500,000, maintained from power receipts, is used to defray expenses incurred under emergency conditions and to insure continuous operation of the Bonneville Power Administration transmission system (16 U. S. C. 832).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	2		
Number of employees at end of year	0		
01 Personal services:			
Permanent positions	$8,534		
Positions other than permanent	2,166		
Other personal services	10,944		
Total personal services	21,644		
02 Travel	4,273		
03 Transportation of things	1,321		
07 Other contractual services	1,180		
Services performed by other accounts	138,400	$35,330	
08 Supplies and materials	61,914		
10 Lands and structures	73,692		
Total obligations	302,424	35,330	

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Consolidated administrative services	$345,601	$312,000	$312,000
2. Miscellaneous services to other accounts	265,882	285,000	183,000
Total obligations	611,483	597,000	495,000
Financing:			
Advances and reimbursements from—			
Other accounts	536,248	570,000	430,000
Non-Federal sources (41 U. S. C. 481 (c))	75,235	27,000	65,000
Total financing	611,483	597,000	495,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	46	53	46
Full-time equivalent of all other positions	1	1	1
Average number of all employees	44	54	46
Number of employees at end of year	52	55	49
Average GS grade and salary	8.0 $5,866	8.0 $5,911	8.0 $5,912
Ungraded positions: Average salary	$5,754	$6,038	$6,054
01 Personal services:			
Permanent positions	$258,539	$310,100	$272,900
Positions other than permanent	2,494	4,900	2,400
Other personal services	2,955	3,000	700
Total personal services	263,988	318,000	276,000
02 Travel	10,613	17,500	7,600
03 Transportation of things	186	600	300
04 Communication services	41,952	41,400	41,000
05 Rents and utility services	7,415	17,200	10,000
07 Other contractual services	392	11,100	3,400
Services performed by other accounts	133,215	64,400	56,500
08 Supplies and materials	30,255	57,100	20,600
09 Equipment	123,337	21,000	65,000
10 Lands and structures	130	30,000	
11 Grants, subsidies, and contributions		18,700	14,600
Total obligations	611,483	597,000	495,000

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SOUTHEASTERN POWER ADMINISTRATION

Current authorizations:

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the southeastern power area, [including purchase of not to exceed one passenger motor vehicle for replacement only $1,939,000] *$735,000.* (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$1,939,000** Estimate 1959, **$735,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. System operation and maintenance	$55,201	$77,000	$71,500
2. Purchase of energy and wheeling charges	1,665,310	1,681,000	2,342,000
3. Power contracts and rates	89,094	92,000	82,500
4. General administration	65,206	82,000	76,500
Total operating costs	1,874,811	1,932,000	2,572,500
Capital outlay	8,808	7,000	4,500
Total program costs	1,883,619	1,939,000	2,577,000
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−5,222		
Total program (obligations)	1,878,397	1,939,000	2,577,000
Financing:			
Unobligated balance no longer available	34,603		
Advances and reimbursements from non-Federal sources (to apply against purchase of energy and wheeling charges)			−1,842,000
New obligational authority	1,913,000	1,939,000	735,000
New obligational authority:			
Appropriation	$1,878,000	$1,939,000	$735,000
Transferred from "Operation and maintenance," Southwestern Power Administration	35,000		
Appropriation (adjusted)	1,913,000	1,939,000	735,000

Power generated at Corps of Engineers dams in a 10-State area of the Southeast is marketed by the Administration through transmission facilities owned by others. A schedule of generation through 1958 at 11 projects follows:

Project	*First generation (fiscal year)*	*Installed capacity (kilowatts)*	
		Initial	*Ultimate*
Allatoona	In operation	74,000	74,000
Philpott	do	14,000	14,000
Center Hill	do	135,000	135,000
Dale Hollow	do	54,600	54,600
Wolf Creek	do	270,000	270,000
John H. Kerr	do	204,000	204,000
Clark Hill	do	280,000	280,000
Jim Woodruff	do	30,000	30,000
Old Hickory	do	100,000	100,000
Buford	do	86,000	86,000
Cheatham	1958	36,000	36,000

The decrease in the 1959 appropriation estimate results from adopting a procedure whereby for each contract the charges due the agency are netted with charges against the agency and only the remaining balance is paid.

1. *System operation and maintenance.*—Provision is made for scheduling and dispatching power generation; scheduling storage and release of water; administering contractual operation requirements; and determining methods of coordinating operation of present and proposed generating plants to obtain maximum utilization of resources.

2. *Purchase of power and wheeling charges.*—Provision is made for the payment of wheeling fees and for the purchase of firming energy in connection with disposal of power from the Kerr and Jim Woodruff projects under contracts with utility companies.

3. *Power contracts and rates.*—This provides for negotiation and administration of power contracts, collection of revenue, development of wholesale power rates, and determination of adequate provisions for the amortization of the power investment. Receipts which are deposited in the Treasury amounted to $14,485,765 in 1957 and are estimated at $16,820,403 and $17,450,000 for 1958 and 1959.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$6,780	$1,954	$1,954	$1,954
Accrued annual leave (leave earned and not taken by employees, charged to activity costs) (−)	−23,694	−24,600	−24,600	−24,600
Total selected resources at end of year	−16,914	−22,646	−22,646	−22,646
Selected resources at start of year		16,914	22,646	22,646
Adjustment of selected resources reported at start of year		510		
Costs financed from obligations of other years, net (−)		−5,222		

Object Classification

		1957 actual		1958 estimate		1959 estimate	
	Total number of permanent positions		40		39		35
	Average number of all employees		34		38		34
	Number of employees at end of year		35		39		35
	Average GS grade and salary	7.2	$5,483	7.5	$5,670	8.0	$6,054
01	Personal services:						
	Permanent positions		$183,798		$210,000		$198,500
	Positions other than permanent		4,947		2,000		500
	Other personal services		834		2,000		1,000
	Total personal services		189,579		214,000		200,000
02	Travel		7,043		9,500		6,000
03	Transportation of things		36				
04	Communication services		4,441		6,000		6,000
05	Rents and utility services		1,080				
06	Printing and reproduction		455				500
07	Other contractual services		1,668,772		1,684,000		2,346,000
08	Supplies and materials		3,450		4,500		3,500
09	Equipment		3,387		7,000		2,000
11	Grants, subsidies, and contributions				14,000		13,000
15	Taxes and assessments		154				
	Total obligations		1,878,397		1,939,000		2,577,000

Permanent authorizations:

CONTINUING FUND

(Indefinite special account)

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$312,950	$1,307,597	
Receipts	14,485,765	16,820,403	$17,450,000
Total available for appropriation	14,798,715	18,128,000	17,450,000
Covered into miscellaneous receipts	−13,491,118	−18,128,000	−17,450,000
Balance carried forward	1,307,597		

A continuing fund of $50,000, maintained from receipts for the transmission and sale of electric power in the southeastern area, is available to defray emergency expenses necessary to insure continuity of service (16 U. S. C. 825s–2).

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Proposed for later transmission:

OPERATION AND MAINTENANCE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Purchase of energy and wheeling charges (total costs—obligations)		$567,000	
Financing:			
Proposed supplemental appropriation		567,000	

Under existing legislation, 1958.—A supplemental appropriation for 1958 in the amount of $567,000 is anticipated for the purchase of additional electric power and the payment of wheeling charges required under existing contracts due to adverse water conditions and for carrying out new contracts with private utility companies.

SOUTHWESTERN POWER ADMINISTRATION

Current authorizations:

[CONSTRUCTION]

[For construction and acquisition of transmission lines, substations, and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the southwestern power area, $1,480,000 to remain available until expended.] (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$1,480,000**

Program and Financing

	Cost to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:									
1. Construction in progress (total costs)	$7,847,101	$5,119,040	$378,980	$920,081	$581,784	$582,413	$1,102,696	$55,000	
2. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)					−526,784				
Obligations incurred for costs of other years (unpaid undelivered orders), net			203,433	182,615					
Total program (obligations)			582,413	1,102,696	55,000	582,413	1,102,696	55,000	
Financing:									
Unobligated balance brought forward						−1,052,109	−469,696	−847,000	
Unobligated balance carried forward						469,696	847,000	792,000	
Appropriation (new obligational authority)							1,480,000		

The Administration constructs transmission facilities from Federal generating plants to load centers and to points of interconnection with other electric power systems in the southwestern area. A schedule of generation through 1960 at nine Corps of Engineers powerplants in this area follows:

		Installed capacity (kilowatts)	
	First generation (fiscal year)	*Current or first year*	*Total scheduled*
Project:			
Blakely Mountain	In operation	75,000	75,000
Bull Shoals	do	160,000	240,000
Denison	do	70,000	70,000
Fort Gibson	do	45,000	45,000
Narrows	do	17,000	17,000
Norfork	do	70,000	70,000
Tenkiller Ferry	do	34,000	34,000
Whitney	do	30,000	30,000
Table Rock	1960	100,000	200,000

1. *Construction in progress.*—Provision is made for acquisition of equipment for use in the operation of the transmission system.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1956, $140,736; 1957, $344,169; 1958, $526,784.

Object Classification

	1957 actual		1958 estimate		1959 estimate
Total number of permanent positions	7		20		
Full-time equivalent of all other positions	1		1		
Average number of all employees	7		17		
Number of employees at end of year	7		21		
Average GS grade and salary	7.9	$6,035	7.9	$5,782	
Average salary of ungraded positions		$4,533		$4,829	
01 Personal services:					
Permanent positions		$33,109		$82,205	
Positions other than permanent		3,817		5,000	
Other personal services		1,763		2,795	
Total personal services		38,689		90,000	

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$9,253	$12,000	
03 Transportation of things	8,011	2,500	
04 Communication services		500	
05 Rents and utility services		500	
06 Printing and reproduction	312	500	
07 Other contractual services	12,064	10,000	
08 Supplies and materials	17,398	14,600	
09 Equipment	494,687	584,696	$55,000
10 Lands and structures	1,999	383,000	
11 Grants, subsidies, and contributions		5,000	
Total obligations	582,413	1,102,696	55,000

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the southwestern power area, including purchase of not to exceed four passenger motor vehicles for replacement only, [$1,000,000] *$975,000.* (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000** Estimate 1959, **$975,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. System operation and maintenance	$593,946	$670,000	$664,000
2. Power contracts and rates	73,771	100,000	91,000
3. General administration	298,304	310,000	300,000
Total operating costs	966,021	1,080,000	1,055,000
Deduct depreciation (not requiring funding)	97,120	80,000	80,000
Net operating costs, funded	868,901	1,000,000	975,000
4. Relation of costs to obligations:			
Obligations incurred for costs of other years, net	9,423		
Total program (obligations)	878,324	1,000,000	975,000

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SOUTHWESTERN POWER ADMINISTRATION—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$86,676		
New obligational authority	965,000	$1,000,000	$975,000
New obligational authority:			
Appropriation	$1,000,000	$1,000,000	$975,000
Transferred to "Operation and maintenance," Southeastern Power Administration (Public Law 85-58)	−35,000		
Appropriation (adjusted)	965,000	1,000,000	975,000

Power developed at Corps of Engineers dams in four Southwestern States is marketed by the Administration through its transmission system. The Administration also contracts for use of additional transmission facilities, and for the sale, purchase, and interchange of power with other systems.

Receipts which are deposited in the Treasury amounted to $6,449,373 in 1957, and are estimated at $6,835,000 and $7,520,000 for 1958 and 1959. The increase in receipts for 1958 and 1959 results mainly from a rate increase which became effective in the early part of 1958 and continued customer load growth.

1. *System operation and maintenance.*—The Administration operates and maintains a transmission system as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Transmission lines, miles	1,004	1,032	1,032
Number of substations	13	14	14
Substation capacity, kilovolt-amperes	293,300	322,050	322,050
Number of customers	56	57	56

2. *Power contracts and rates.*—This includes (*a*) negotiations of power contracts, (*b*) billing and servicing contracts, (*c*) development of wholesale power rates, and (*d*) participation in determination of the cost of amortizing the Federal Government's investment in power facilities.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$45,790	$47,291	$60,000	$50,000
Accrued annual leave (leave earned but not taken by employees, charged to activity costs) (−)	−119,157	−111,235	−123,944	−113,944
Total selected resources at end of year	−73,367	−63,944	−63,944	−63,944
Selected resources at start of year		73,367	63,944	63,944
Obligations incurred for costs of other years, net		9,423		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	117	131	127
Full-time equivalent of all other positions	7	7	
Average number of all employees	118	130	119
Number of employees at end of year	124	133	127
Average GS grade and salary	7.9 $6,035	7.9 $5,782	8.0 $5,997
Average salary of ungraded positions	$4,533	$4,829	$4,817
01 Personal services:			
Permanent positions	$612,262	$692,437	$685,550
Positions other than permanent	19,204	20,000	
Other personal services	34,639	37,563	35,450
Total personal services	666,105	750,000	721,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
02 Travel	$97,453	$102,000	$100,000
03 Transportation of things	1,537	3,000	2,000
04 Communication services	21,252	22,000	20,000
05 Rents and utility services	14,439	15,000	15,000
06 Printing and reproduction	2,427	3,000	2,500
07 Other contractual services	20,521	21,000	20,000
08 Supplies and materials	45,181	30,000	40,000
09 Equipment	6,718	6,000	6,500
11 Grants, subsidies, and contributions		45,000	45,000
13 Refunds, awards, and indemnities	1,267	1,500	1,500
15 Taxes and assessments	1,424	1,500	1,500
Total obligations	878,324	1,000,000	975,000

CONTINUING FUND

(Indefinite special account)

Not to exceed [$5,000,000] *$4,405,000* shall be available during the current fiscal year from the continuing fund for all costs in connection with the purchase of electric power and energy, and rentals for the use of transmission facilities[: *Provided*, That the unexpended balance made available from the continuing fund for the fiscal years 1954 (67 Stat. 262) and 1956 (69 Stat. 356) shall be available to liquidate claims payable for the fiscal year 1954 under lease-purchase contracts with generating and transmission cooperatives as certified by the Comptroller General of the United States: *Provided further*, That any deficiency in those funds for payment of such claims may be paid out of the continuing fund]. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$5,000,000** Estimate 1959, **$4,405,000**

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$4,654,314	$4,703,687	$6,405,000
Unobligated balance returned to unappropriated receipts		1,250,000	
Receipts	6,449,373	6,835,000	7,520,000
Total available for appropriation	11,103,687	12,788,687	13,925,000
Covered into miscellaneous receipts (−)		−1,383,687	−5,495,000
Appropriation (−)	−6,400,000	−5,000,000	−4,405,000
Unappropriated balance at end of year	4,703,687	6,405,000	4,025,000

Program and Financing

Program by activities:			
1. Purchase of energy and wheeling charges	$4,553,049	$6,807,000	$7,777,000
2. Rentals for the use of transmission facilities	2,446,785	900,000	900,000
Total program (costs—obligations)	6,999,834	7,707,000	8,677,000
Financing:			
Unobligated balance brought forward	−300,000	−300,000	−300,000
Advances and reimbursements from non-Federal sources	−2,552,466	−3,957,000	−4,272,000
Unobligated balance carried forward	300,000	300,000	300,000
Unobligated balance no longer available	1,952,632	1,250,000	
Appropriation (new obligational authority)	6,400,000	5,000,000	4,405,000

This fund, accumulated from power receipts, is available permanently for emergency expenses necessary to insure continuity of service. It is also available in such amounts as may be approved annually in appropriation acts to cover costs in connection with the purchase of electric power and rentals for use of facilities for transmission and distribution of power. Electric power is purchased from private utilities and generating and transmission cooperatives. Power is transmitted to customers through wheeling arrangements with private utilities and through lease of the transmission capacity in facilities owned by the generating and transmission cooperatives (16 U. S. C. 825s–1).

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Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$4,447,368	$3,750,000	$4,405,000

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management administers 468 million acres of public lands in the United States and Alaska for the purpose of conserving forest, range, mineral, and water resources. In addition, the Bureau has responsibility for mineral resources on 358 million acres of land under the jurisdiction of other Federal agencies and private land with mineral rights reserved to the United States.

In 1959, the budget continues this program at approximately its current level except that fire suppression costs are not expected to be as high as in the past 2 years.

The work of the Bureau produces revenue from various sources which is distributed as follows:

[In millions]

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Total receipts	$212	$112	$226	$226
Payments to States and counties (−)	−33	−38	−41	−42
Deposited in the Treasury	179	74	185	184

Current authorizations:

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including [$35,000] *$250,000* for the operation and maintenance of access roads on the revested Oregon and California Railroad grant lands, [$22,000,000] *$20,940,000*: *Provided*, That this appropriation may be expended on a reimbursable basis for surveys of lands other than those under the jurisdiction of the Bureau of Land Management: *Provided further*, That, for the purposes of surveying federally controlled or intermingled lands and operation and maintenance of access roads, contributions toward the costs thereof may be accepted. (*5 U. S. C. 133a, 133y, 485; 16 U. S. C. 583, 594; 43 U. S. C. 1, 2, 54, 72, 129, 315; 50 Stat. 874; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$22,000,000** Estimate 1959, [a] **$20,940,000**

[a] Includes $100,000 for activities previously carried under "Forest protection and utilization," Forest Service. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Lease and disposal of lands and mineral resources	$5,014,136	$5,509,900	$5,499,400
2. Management of grazing lands	1,975,975	2,355,100	2,363,500
3. Forestry	3,874,758	5,272,200	4,904,000
4. Cadastral surveys	1,660,541	1,913,200	1,912,500
5. Soil and moisture conservation	3,186,142	3,621,700	3,617,700
6. Fire suppression	771,797	1,400,000	400,000
7. Maintenance of physical facilities	46,076	50,000	50,000
8. Maintenance of access roads	35,000	35,000	250,000
9. Weed control	666,278	559,000	559,000
10. General administration	1,213,597	1,383,900	1,383,900
Total obligations	18,444,300	22,100,000	20,940,000
Financing:			
Comparative transfers from (−) other accounts	−100,000	−100,000	
Unobligated balance no longer available	25,000		
Appropriation (new obligational authority)	18,369,300	22,000,000	20,940,000

1. *Lease and disposal of lands and mineral resources.*—Applications for all types of land use and disposal and for lease of mineral resources, principally oil and gas, are acted upon. Field investigations are made to determine the best use of resources.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Cases pending, start of year	85,302	78,094	74,151	74,000
New and reactivated cases	112,798	132,885	140,000	150,000
Cases closed	120,006	136,828	140,151	145,000
Cases pending, end of year	78,094	74,151	74,000	79,000

2. *Management of grazing lands.*—The 182 million acres of Federal range used by 30,625 livestock growers are supervised. Proper management of these lands perpetuates forage resources thereon by reducing overuse, unseasonal use and trespass, and provides protection from fire and erosion.

3. *Forestry.*—Nine million acres of commercial forest lands in the United States and 40 million acres in Alaska, plus 110 million acres of woodland type lands, are managed. The 1959 program will permit selling 950 million board-feet of timber having a stumpage value of $21.5 million.

4. *Cadastral surveys.*—These surveys are required to locate and identify legal boundaries of lands under application for lease or disposal, including submerged lands on the outer Continental Shelf; for administration of timber sales; for management of forest and range lands; to provide legal descriptions for the work of other Federal agencies and to permit States to obtain title to lands granted them by law.

5. *Soil and moisture conservation.*—The 1959 program will benefit 2,006,000 acres of public lands in critical condition from erosion. Cooperative programs with other agencies in river basin areas will continue.

6. *Fire suppression.*—Provision is made for fighting fires on or threatening lands under the jurisdiction of the Bureau of Land Management. Costs of fire suppression during the spring and summer of 1957 have exceeded $2,000,000. Over a thousand fires have burned 5,400,000 acres in the United States and Alaska. A supplemental appropriation for 1958 is proposed for later transmission.

7. *Maintenance of physical facilities.*—This activity provides for physical maintenance of storehouses, equipment shelters, fire crew barracks, and like buildings used by the Bureau of Land Management in its various activities.

8. *Maintenance of access roads.*—Provision is made for maintenance of access roads to highly valuable stands of timber in the Oregon and California grant lands of western Oregon. Funds provided for this purpose are reimbursed to the Treasury from the Oregon and California land grant fund.

9. *Weed control.*—This activity continues treatment of areas infested by halogeton and other poisonous and noxious weeds.

10. *General administration.*—Provision is made here for providing executive direction for the Bureau as well as furnishing such services as accounting, personnel administration, procurement, budget preparation, and internal auditing to the technical divisions of the Bureau.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	2,026	2,152	2,163
Full-time equivalent of all other positions	440	558	450
Average number of all employees	2,463	2,707	2,608

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BUREAU OF LAND MANAGEMENT—Continued

Current authorizations—Continued

MANAGEMENT OF LANDS AND RESOURCES—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
BUREAU OF LAND MANAGEMENT—con.			
Number of employees at end of year	2,651	2,707	2,720
Average GS grade and salary	7.2 $5,128	7.2 $5,151	7.2 $5,173
Average salary of ungraded positions	$5,149	$5,208	$5,208
01 Personal services:			
Permanent positions	$9,000,390	$10,400,903	$10,459,000
Positions other than permanent	1,066,522	1,132,888	1,091,800
Other personal services	644,893	1,177,250	650,000
Total personal services	10,711,805	12,711,041	12,200,800
02 Travel	1,166,384	1,201,900	1,165,200
03 Transportation of things	147,566	140,900	105,100
04 Communication services	201,113	191,100	168,900
05 Rents and utility services	150,347	151,100	153,900
06 Printing and reproduction	112,097	119,700	119,000
07 Other contractual services	2,654,093	3,573,850	3,266,350
Services performed by other agencies	55,052	65,000	63,300
08 Supplies and materials	1,781,842	2,053,154	1,733,900
09 Equipment	977,925	759,700	668,900
10 Lands and structures	398,231	390,000	390,000
11 Grants, subsidies, and contributions		683,055	686,700
13 Refunds, awards, and indemnities	26,322		
15 Taxes and assessments	34,700	37,250	36,800
Subtotal	18,417,477	22,077,750	20,758,850
Deduct quarters and subsistence charges	7,790	7,750	7,750
Total, Bureau of Land Management	18,409,687	22,070,000	20,751,100
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	2	2	2
Full-time equivalent of all other positions	1	1	1
Average number of all employees	2	3	3
Number of employees at end of year	1	2	2
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$4,301	$6,900	$6,900
Positions other than permanent	3,039	3,000	3,000
Other personal services	40	100	100
Total personal services	7,380	10,000	10,000
02 Travel	634	1,000	1,000
03 Transportation of things	32		
04 Communication services	5		
07 Other contractual services	22,853	14,350	173,250
08 Supplies and materials	3,709	4,000	4,000
11 Grants, subsidies, and contributions		650	650
Total, Bureau of Public Roads	34,613	30,000	188,900
Total obligations	18,444,300	22,100,000	20,940,000

CONSTRUCTION

For construction of access roads [on the revested Oregon and California Railroad grant lands]; acquisition of existing connecting roads [adjacent to such lands]; acquisition of rights-of-way [on the revested Oregon and California Railroad grant lands, and on Coos Bay Wagon Road lands and lands in the vicinity of the Gerber Reservoir and the Silvies River, Oregon, and lands in the vicinity of Powder Horn Creek and Wall Mountain, Colorado]; acquisition and construction of buildings and appurtenant facilities; and construction and maintenance of recreational facilities in Alaska; to remain available until expended, [$5,480,000] *$4,435,000*: *Provided*, That the amount appropriated herein for road construction shall be transferred to the Bureau of Public Roads, Department of Commerce: *Provided further*, That the amount appropriated herein for construction of access roads on the revested Oregon and California Railroad grant lands is hereby made a reimbursable charge against the Oregon and California land-grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

[Not to exceed $1,423 of the funds available to the Bureau of Land Management from definite annual appropriations shall be available for reimbursing the city of Monticello, Utah, for the cost of improvements to streets and appurtenant facilities adjoining property under the jurisdiction of the Bureau of Land Management.] (*16 U. S. C. 594; 43 U. S. C. 2; 69 Stat. 374; 70 Stat. 130; Department of the Interior and Related Agencies Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$5,480,000** Estimate 1959, **$4,435,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Access roads	$4,377,286	$6,813,729	$4,835,000
2. Buildings	39,177	270,200	100,000
3. Recreational facilities	94,366	105,634	100,000
Total obligations	4,510,829	7,189,563	5,035,000
Financing:			
Unobligated balance brought forward	−2,220,392	−2,309,563	−600,000
Unobligated balance carried forward	2,309,563	600,000	
Appropriation (new obligational authority)	4,600,000	5,480,000	4,435,000

1. *Access roads.*—This estimate will continue construction of roads into stands of high value timber on the revested Oregon and California Railroad grant lands in western Oregon. The cost of these roads is reimbursed to the Treasury from the Oregon and California land-grant fund. Construction will begin on similar roads in the Coos Bay Wagon Road grant lands in western Oregon. Rights-of-way will be acquired for additional roads in this area and on public domain lands.

2. *Buildings.*—Provision is made for construction of buildings to house supplies, equipment, and personnel at isolated locations.

3. *Recreational facilities.*—Construction and maintenance of simple recreational facilities in Alaska along highways as an aid to the public and as a fire-prevention measure will be continued in 1958 and 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	48	37	37
Full-time equivalent of all other positions	14	20	17
Average number of all employees	54	57	54
Number of employees at end of year	75	77	74
Average GS grade and salary	7.8 $5,100	7.6 $5,147	7.6 $5,188
Average salary of ungraded positions	$6,115		
01 Personal services:			
Permanent positions	$175,423	$174,785	$175,000
Positions other than permanent	50,948	75,015	65,000
Other personal services	7,835	8,600	8,500
Total personal services	234,206	258,400	248,500
02 Travel	31,396	35,100	45,100
03 Transportation of things	5,940	6,600	5,200
04 Communication services	829	1,500	3,400
05 Rents and utility services	408	4,000	8,100
06 Printing and reproduction	1,079	1,000	2,300
07 Other contractual services	39,436	84,700	57,100
08 Supplies and materials	50,700	43,000	37,700
09 Equipment	25,838	17,100	18,900
10 Lands and structures	20,344	1,328,000	636,800
11 Grants, subsidies, and contributions		13,300	13,600
15 Taxes and assessments	1,582	2,382	2,300
Total, Bureau of Land Management	411,758	1,795,082	1,079,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	75	79	79
Full-time equivalent of all other positions	32	14	14
Average number of all employees	123	89	87
Number of employees at end of year	153	132	132
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
Average salary of ungraded positions	$6,103	$6,074	$6,070
01 Personal services:			
Permanent positions	$388,979	$322,500	$322,500
Positions other than permanent	114,922	50,000	50,000
Other personal services	25,387	11,500	11,500
Total personal services	529,288	384,000	384,000
02 Travel	83,083	60,000	60,000
03 Transportation of things	1,070	1,500	1,500
04 Communication services	1,297	1,200	1,200

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE—con.			
05 Rents and utility services	$77,673	$75,000	$75,000
06 Printing and reproduction	2,442	2,000	2,000
07 Other contractual services	323,260	435,000	480,000
08 Supplies and materials	66,630	50,000	50,000
09 Equipment	1,733		
10 Lands and structures	3,016,666	4,363,481	2,880,000
11 Grants, subsidies, and contributions		21,300	21,300
15 Taxes and assessments		1,000	1,000
Subtotal	4,103,142	5,394,481	3,956,000
Deduct quarters and subsistence charges	4,071		
Total, Bureau of Public Roads	4,099,071	5,394,481	3,956,000
Total obligations	4,510,829	7,189,563	5,035,000

Administrative Provisions

Appropriations for the Bureau of Land Management shall be available for purchase of [thirty-one] *twenty-eight* passenger motor vehicles for replacement only; *purchase of one aircraft for replacement only;* purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title: *Provided,* That of appropriations herein made for the Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than those expenditures for reforestation, for construction and operation and maintenance of access roads, and for acquisition of rights-of-way and of existing connecting roads adjacent to such lands, which are reimbursable to the Treasury) shall be reimbursed from the 25 per centum referred to in section C, title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California Land Grant Fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road Grant Fund": *Provided further,* That the amount appropriated for maintenance of access roads and [$900,000] *$500,000* of the amount appropriated for reforestation on the Oregon and California Railroad grant lands, under the appropriation "Management of lands and resources", shall be reimbursed to the general fund of the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of said Act of August 28, 1937. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Range Improvements

(Indefinite)

For construction, purchase, and maintenance of range improvements pursuant to the provisions of sections 3 and 10 of the Act of June 28, 1934, as amended (43 U. S. C. 315), sums equal to the aggregate of all moneys received, during the current fiscal year, as range improvement fees under section 3 of said Act and of 25 per centum of all moneys received, during the current fiscal year, under section 15 of said Act, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated (estimate) 1958, **$564,846** Estimate 1959, **$786,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Range improvements (total obligations)	$493,223	$600,000	$705,000
Financing:			
Unobligated balance brought forward	−304,955	−202,603	−167,449
Unobligated balance carried forward	202,603	167,449	248,449
Appropriation (new obligational authority)	390,871	564,846	786,000

A portion, usually 25% of the fees from grazing on the public lands, is available for improvements to the range lands.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	26	24	24
Full-time equivalent of all other positions	18	19	19
Average number of all employees	44	43	44
Number of employees at end of year	59	57	58
Average GS grade and salary	6.0 $4,604	5.8 $4,558	5.8 $4,637
Average salary of ungraded positions	$4,548	$4,566	$4,566
01 Personal services:			
Permanent positions	$114,862	$106,565	$108,000
Positions other than permanent	76,140	82,520	83,000
Other personal services	54	420	425
Total personal services	191,056	189,505	191,425
02 Travel	13,278	21,430	25,000
03 Transportation of things	8,706	10,000	10,200
04 Communication services	2,190	2,130	2,500
05 Rents and utility services	1,310	1,800	1,800
06 Printing and reproduction	331	150	200
07 Other contractual services	54,687	88,400	100,000
08 Supplies and materials	151,396	131,930	186,000
09 Equipment	28,667	43,615	43,000
10 Lands and structures	31,288	89,000	135,000
11 Grants, subsidies, and contributions		6,897	7,100
15 Taxes and assessments	2,659	2,750	2,775
Total, Bureau of Land Management	485,568	587,607	705,000
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
Average number of all employees	2	4	
Number of employees at end of year	0	2	
01 Personal services: Positions other than permanent	$7,113	$11,700	
02 Travel	515	600	
07 Other contractual services	27	93	
Total, Bureau of Sport Fisheries and Wildlife	7,655	12,393	
Total obligations	493,223	600,000	$705,000

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "Construction and rehabilitation," Bureau of Reclamation.

Permanent authorizations:

Bureau of Land Management Miscellaneous Permanent Appropriations

(Indefinite special accounts)

Appropriated (est.) 1958, **$40,959,897** Estimate 1959, **$42,325,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Expenses, sale of timber, etc., on reclamation lands"	$763	$2,000	$2,000
2. "Leasing of grazing lands"	778	3,079	3,000
3. "Payments to Oklahoma (royalties)"	5,893	9,433	10,000
4. "Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands"	21,550	50,000	50,000
5. "Payments to counties, Oregon and California grant lands"	11,909,395	9,805,664	11,065,000
6. "Payments to States (grazing fees)"	595	600	600
7. "Payments to States (proceeds of sales)"	99,865	198,100	238,400
8. "Payments to States from grazing receipts, etc., public lands outside grazing districts"	172,833	183,100	183,100
9. "Payments to States from grazing receipts, etc., public lands within grazing districts"	169,899	260,500	260,500
10. "Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous"	2,796	10,000	10,000
11. "Payments to States from receipts under Mineral Leasing Act"	25,590,792	30,367,500	30,388,000
12. "Payments to Territory of Alaska, income and proceeds, Alaska school lands"	22,076	25,000	25,000

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BUREAU OF LAND MANAGEMENT—Continued

Permanent authorizations—Continued

BUREAU OF LAND MANAGEMENT MISCELLANEOUS PERMANENT APPROPRIATIONS—Continued

(Indefinite special accounts)—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
13. "Payments to Alaska, coal leases"		$45,000	$90,000
Total obligations	$37,997,235	40,959,976	42,325,600
Financing:			
Unobligated balance brought forward	−25	−79	
Unobligatated balance carried forward	79		
New obligational authority	37,997,289	40,959,897	42,325,600
New obligational authority:			
"Expenses, sale of timber, etc., on reclamation lands"	$763	$2,000	$2,000
"Leasing of grazing lands"	832	3,000	3,000
"Payments to Oklahoma (royalties)"	5,893	9,433	10,000
"Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands"	21,550	50,000	50,000
"Payments to counties, Oregon and California grant lands"	11,909,395	9,805,664	11,065,000
"Payments to States (grazing fees)"	595	600	600
"Payments to States (proceeds of sales)"	99,865	198,100	238,400
"Payments to States from grazing receipts, etc., public lands outside grazing districts"	172,833	183,100	183,100
"Payments to States from grazing receipts, etc., public lands within grazing districts"	169,899	260,500	260,500
"Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous"	2,796	10,000	10,000
"Payments to States from receipts under Mineral Leasing Act"	25,590,792	30,367,500	30,388,000
"Payments to Territory of Alaska, income and proceeds, Alaska school lands"	22,076	25,000	25,000
"Payments to Alaska, coal leases"		45,000	90,000
Appropriation	37,997,289	40,959,897	42,325,600

1. *Expenses, sale of timber, etc., on reclamation lands.*—A portion of the receipts from timber sales on public lands set aside for reclamation purposes is used to cover the cost of sales (41 Stat. 202; 53 Stat. 1196).

2. *Leasing of grazing lands.*—State, county, and privately owned grazing lands that are intermingled with public grazing lands are managed on a leased basis within the limits of receipts from such arrangements (43 U. S. C. 315m).

3. *Payments to Oklahoma (royalties).*—The State of Oklahoma is paid 37½% of the Red River oil and gas royalties in lieu of State and local taxes on Kiowa, Comanche, and Apache tribal funds (42 Stat. 1448), to be used for construction and maintenance of public roads and support of public schools (44 Stat. 740).

4. *Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands.*—Out of receipts from the Coos Bay Wagon Road grant lands in Oregon, payments in lieu of taxes are made to Coos and Douglas Counties for common schools, roads, highways, bridges, and port districts (53 Stat. 753–754).

5. *Payments to counties, Oregon and California grant lands.*—Fifty percent of the receipts of the Oregon and California land-grant fund, plus the unearmarked portion of an additional 25%, are paid the counties in which the lands are situated, to be used as other county funds (39 Stat. 218).

6. *Payments to States (grazing fees).*—The States are paid 33⅓% of the fees from each grazing district on Indian lands ceded to the United States within the State's boundaries (43 U. S. C. 315j).

7. *Payments to States (proceeds of sales).*—The States are paid 5% of the net proceeds from sale of public land and public land products (31 U. S. C. 711).

8. *Payments to States from grazing receipts, etc., public lands outside grazing districts.*—The States are paid 50% of the grazing fee receipts from public domain lands outside grazing districts (43 U. S. C. 315i, 315m).

9. *Payments to States from grazing receipts, etc., public lands within grazing districts.*—The States are paid 12½% of grazing-fee receipts from grazing district lands within their boundaries (43 U. S. C. 315b, 315i).

10. *Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous.*—The States are paid specifically determined amounts from grazing-fee receipts from miscellaneous lands within grazing districts when payment is not feasible on a percentage basis (43 U. S. C. 315).

11. *Payments to States from receipts under Mineral Leasing Act.*—The States and Alaska are paid 37½% of the receipts from bonuses, royalties, and rentals resulting from development of mineral resources under the Mineral Leasing Act (30 U. S. C. 191), and from leases of potash deposits (30 U. S. C. 285), on public lands.

12. *Payments to Territory of Alaska, income and proceeds, Alaska school lands.*—Alaska is paid the income derived from sale of timber and disposition of lands or minerals on public lands reserved for school and other educational purposes (38 Stat. 1214; 53 Stat. 1243; 48 U. S. C. 353).

13. *Payments to Alaska, coal leases.*—Alaska is paid 90% of all net profits from operation of Government mines, and all bonuses, royalties, and rentals under coal leases as provided by law (71 Stat. 282).

Object Classification

		1957 actual	1958 estimate	1959 estimate
05	Rents and utility services	$778	$3,079	$3,000
07	Other contractual services	763	2,000	2,000
11	Grants, subsidies, and contributions	37,995,694	40,954,897	42,320,600
	Total obligations	37,997,235	40,959,976	42,325,600

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Replacement of personal property sold	$33,185	$52,500	$53,000
2. Miscellaneous services to other accounts	390,187	423,600	425,000
Total obligations	423,372	476,100	478,000
Financing:			
Advances and reimbursements from—			
Other accounts	289,658	317,600	317,000
Non-Federal sources	133,714	158,500	161,000
Total financing	423,372	476,100	478,000

NOTE.—Reimbursements from non-Federal sources above are from copying fees (64 Stat. 418), from the proceeds of sale of personal property (40 U. S. C. 481 (c)), and from contributions for cadastral surveys (Department of the Interior and Related Agencies Appropriation Act, 1958).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	47	49	49
Number of employees at end of year	0	0	0

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Positions other than permanent	$221,353	$232,150	$233,000
02	Travel	46,497	56,600	56,000
03	Transportation of things	65	1,300	1,500
04	Communication services	1,698	850	1,000
05	Rents and utility services	44		
06	Printing and reproduction	9,928	15,000	15,000
07	Other contractual services	48,878	48,100	52,500
08	Supplies and materials	61,364	63,100	63,400
09	Equipment	33,185	52,500	49,000
11	Grants, subsidies, and contributions		6,000	6,000
15	Taxes and assessments	360	500	600
	Total obligations	423,372	476,100	478,000

Proposed for later transmission:

MANAGEMENT OF LANDS AND RESOURCES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Fire suppression (total obligations)		$600,000	
Financing:			
Proposed supplemental appropriation		600,000	

Under existing legislation, 1958.—A supplemental appropriation for 1958 in the amount of $600,000 is anticipated for fighting fires.

BUREAU OF INDIAN AFFAIRS

The responsibility of the United States toward the Indian people and the natives of Alaska includes protection and development of trust property and the furnishing of services not otherwise available to Indians and which are normally provided other citizens through Government and private agencies. Active programs are being aimed toward the integration of like services to Indians and non-Indians through the same sources and toward increased Indian participation in the management of Indian-owned resources. States and counties are participating at an increasing rate in the service programs, usually with financing by the United States demanded because of the tax-exempt status of Indian lands. The ultimate goal of the entire program is to have the Indian people and the natives of Alaska take their proper place in the social and economic life of the Nation on the same basis as other citizens.

Current authorizations:

EDUCATION AND WELFARE SERVICES

For expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment (in advance or from date of admission), of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order, and payment of rewards for information or evidence concerning violations of law on Indian reservations or lands; and operation of Indian arts and crafts shops and museums; [$59,460,000] *$57,469,000. (25 U. S. C. 13; 48 U. S. C. 169, 250a, 250f, 631–640; 5 U. S. C. 5a; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$59,460,000** Estimate 1959, **$57,469,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Educational assistance, facilities and services	$42,005,406	$48,810,014	$49,125,000
2. Welfare and guidance services	3,933,218	4,928,000	4,774,000
3. Relocation services	2,806,687	3,541,000	3,541,000
4. Maintaining law and order	715,234	929,000	929,000
Total program costs	49,460,545	58,208,014	58,369,000
Property or services transferred in without charge, net (−)	−922,267	−900,000	−900,000
Total program costs, funded	48,538,278	57,308,014	57,469,000
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	1,118,932		
Total program (obligations)	49,657,210	57,308,014	57,469,000
Financing:			
Unobligated balance no longer available	755,996	2,176,000	
New obligational authority	50,413,206	59,484,014	57,469,000
New obligational authority:			
Appropriation	$50,720,000	$59,460,000	$57,469,000
Transferred to "Resources management" (70 Stat. 266)	−283,000		
Appropriation (adjusted)	50,437,000	59,460,000	57,469,000
Applied to contract authorization	−419,780	−395,986	−420,000
Contract authorization (new)	395,986	420,000	420,000

The services described are furnished to Indians in the continental United States and to the natives of Alaska.

1. *Educational assistance, facilities and services.*—Financial assistance is extended to public schools enrolling Indian children under State and district contracts. Where such facilities are inadequate or nonexistent, the Bureau operates boarding and day schools. Pupils included in the following table under "Dormitories" attend public schools but are domiciled in federally operated dormitories. Assistance is also given to adult Indians through an education and training program.

NUMBER OF PUPILS

	1957 actual	*1958 estimate*	*1959 estimate*
Boarding schools	25,040	26,505	26,505
Dormitories	2,933	2,950	2,950
Day schools	16,023	16,010	16,010
Public schools	35,835	39,800	39,950
Other institutions	390	530	530
Total	80,221	85,795	85,945

2. *Welfare and guidance services.*—Welfare services including direct relief and foster home care are provided for needy adults and children.

CASELOADS

	1957 actual	*1958 estimate*	*1959 estimate*
Aid to individuals:			
General assistance	7,548	7,075	6,700
Child welfare	2,004	2,520	2,520
Total	9,552	9,595	9,220

3. *Relocation services.*—The relocation program assists Indians from reservations to settle and secure permanent employment in non-Indian communities away from the reservation, and to adjust to the new living and working conditions encountered. Financial assistance to move to and settle in the new community where employment opportunities have been developed is provided to those Indians who wish to relocate but do not have enough resources to leave the reservation.

NUMBER OF RELOCATIONS

	1957 actual	*1958 estimate*	*1959 estimate*
Persons relocated	6,964	7,000	7,000

4. *Maintaining law and order.*—Police services and tribal court operations are financed on Indian reservations, and special officers direct enforcement of Federal law.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

EDUCATION AND WELFARE SERVICES—Continued

	1956 actual	1957 actual	1958 estimate	1959 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$400,327	$637,763	$637,763	$637,763
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,889,227	2,470,640	2,470,640	2,470,640
Advances (payments for goods and services on order not yet received)	27,763	16,559	16,559	16,559
Work in process (goods and services to be costed to activities when completed)	2,131	20,646	20,646	20,646
Total selected resources at end of year	2,319,448	3,145,608	3,145,608	3,145,608
Selected resources at start of year (−)		−2,319,448	−3,145,608	−3,145,608
Adjustment of selected resources reported at start of year		292,772		
Obligations incurred for costs of other years, net		1,118,932		

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	5,886	5,953	5,929
	Full-time equivalent of all other positions	241	215	215
	Average number of all employees	5,416	5,738	5,714
	Number of employees at end of year	5,730	5,695	5,671
	Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
	Average salary of ungraded positions	$3,867	$3,997	$3,995
01	Personal services:			
	Permanent positions	$22,238,806	$24,379,017	$24,413,822
	Positions other than permanent	860,370	786,900	790,125
	Other personal services	636,423	830,305	835,803
	Total personal services	23,735,599	25,996,222	26,039,750
02	Travel	1,077,408	1,257,395	1,189,300
03	Transportation of things	650,253	693,900	695,000
04	Communication services	265,673	294,600	298,000
05	Rents and utility services	840,711	888,325	900,000
06	Printing and reproduction	6,702	7,980	8,500
07	Other contractual services	2,384,787	2,128,682	2,128,682
	Services performed by other agencies	382,135	506,118	506,118
08	Supplies and materials	9,055,068	9,369,491	9,214,294
09	Equipment	1,661,557	1,721,500	1,609,900
11	Grants, subsidies, and contributions	10,493,310	15,278,490	15,714,145
12	Pensions, annuities, and insurance claims	129		
13	Refunds, awards, and indemnities	7,585	8,650	8,650
15	Taxes and assessments	45,311	49,434	49,434
16	Investments and loans	97		
	Subtotal	50,606,325	58,200,787	58,361,773
	Deduct quarters and subsistence charges	949,115	892,773	892,773
	Total obligations	49,657,210	57,308,014	57,469,000

RESOURCES MANAGEMENT

For expenses necessary for management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; and development of Indian arts and crafts as authorized by law; [$17,200,000] *$17,000,000*, and in addition, $524,000 of the Revolving Fund for Loans, Bureau of Indian Affairs, shall be used in connection with administering loans to Indians: *Provided*, That[, notwithstanding the provisions of section 4 (a) of the Civil Service Retirement Act of July 31, 1956 (70 Stat. 747), not to exceed $80,000 of this appropriation shall be available for payment of the Federal matching contribution to the retirement fund for Federal employees paid from tribal funds.]

[There is hereby authorized to be transferred to this appropriation, from any other definite annual appropriations from the general funds of the Treasury available to the Bureau of Indian Affairs for the fiscal year ending June 30, 1958, not to exceed $169,000 for emergency operation and maintenance of the San Carlos irrigation project on a nonreimbursable basis: *Provided*, That] the Secretary of the Interior is authorized to expend income received from leases on lands on the Colorado River Indian Reservation (southern and northern reserves) for the benefit of the Colorado River Indian Tribes and their members during the current fiscal year, or until beneficial ownership of the lands has been determined if such determination is made during the current fiscal year. (*25 U. S. C. 7a, 13, 16, 305, 381, 385, 631–640; 16 U. S. C. 590a–590f; 48 U. S. C. 169, 250, 250a–250f; 29 Stat. 321; 33 Stat. 189, 595, 1048; 34 Stat. 1015; 35 Stat. 70, 558; 36 Stat. 269, 855; 38 Stat. 582; 45 Stat. 1562, 1639; 48 Stat. 362; 49 Stat. 887; 52 Stat. 80; 54 Stat. 707; 7 U. S. C. 1651–1656; Department of the Interior and Related Agencies Appropriation Act, 1958; Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$17,200,000** Estimate 1959, **$17,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Forest and range lands	$2,616,251	$2,883,000	$2,883,000
2. Fire suppression	281,644	140,000	140,000
3. Agricultural and industrial assistance	1,522,629	1,710,689	1,710,689
4. Soil and moisture conservation	4,183,082	4,374,000	4,567,000
5. Operation, repair, and maintenance of Indian irrigation systems	927,689	970,000	880,000
6. Development of Indian arts and crafts	102,315	111,000	111,000
7. Management of Indian trust property	3,060,031	3,003,311	3,000,311
8. Repair and maintenance of buildings and utilities	3,592,985	3,708,000	3,708,000
9. Weed control	178,180	100,000	
Total program costs	16,464,806	17,000,000	17,000,000
Property or services transferred in without charge, net (−)	−205,790		
Total program costs, funded	16,259,016	17,000,000	17,000,000
10. Relationship of costs to obligations: Obligations incurred for costs of other years, net	349,549		
Total program (obligations)	16,608,565	17,000,000	17,000,000
Financing:			
Unobligated balance no longer available	124,435	200,000	
New obligational authority	16,733,000	17,200,000	17,000,000
New obligational authority:			
Appropriation	**$16,450,000**	$17,200,000	$17,000,000
Transferred from "Education and welfare services" (70 Stat. 266)	283,000		
Appropriation (adjusted)	16,733,000	17,200,000	17,000,000

This program promotes the economic advancement of the Indians in the continental United States and of the natives of Alaska through the utilization of their resources.

1. *Forest and range lands.*—This activity covers management, protection, and utilization of the forest, range, and wildlife resources on nearly 50 million acres of Indian-owned lands.

	1957 actual	1958 estimate	1959 estimate
Timber cut:			
Million board-feet	576	550	700
Dollar value	$12,634,932	$12,000,000	$15,000,000
Number of cattle units grazed	985,000	985,000	987,000

2. *Fire suppression.*—Funds under this item provide for the payment of the cost of suppression and prevention of fires on or threatening Indian reservations. Approximately 58,299,555 acres require protection.

3. *Agricultural and industrial assistance.*—Funds under this activity provide for improved methods in farming, homemaking, the management of a revolving loan credit program for small business enterprises, and formulation of plans for readjustment legislation pertaining to special trust relationships between Indian tribes and the Federal Government.

4. *Soil and moisture conservation.*—Land-use practices based on land inventories and soil conservation plans are introduced to control noxious weeds and erosion and promote more effective utilization of soil and water resources. Approximately 24.1 million acres, or 42.5% of Indian-owned lands, are severely or critically eroded. The job of soil and moisture conservation is approximately 23% completed, an increase of 3% over 1956.

5. *Operation, repair, and maintenance of Indian irrigation systems.*—Approximately 300 irrigation systems serv-

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ing about 864,000 acres of Indian and mixed-ownership lands are operated and maintained. About 82% of the cost is financed from collections from water users, leaving 18% to be met from funds appropriated under this activity.

6. *Development of Indian arts and crafts.*—Production and marketing of the products of Indian crafts are fostered through formation of production groups; establishing of standards; and improving of markets, design, and production methods.

7. *Management of Indian trust property.*—Banking services are provided for Indians; land is purchased, sold, exchanged, and leased; and Indian property and money rights are safeguarded. Consolidation and/or disposal of fractionated land holdings, especially in those areas affected by readjustment legislation, is to be accomplished.

	1957 actual	*1958 estimate*	*1959 estimate*
Cases pending, start of year	19,409	22,820	24,000
New and reactivated cases	53,655	61,180	74,000
Cases closed	50,244	60,000	70,000
Cases pending, end of year	22,820	24,000	28,000

8. *Repair and maintenance of buildings and utilities.*—Federal buildings and their related utility and communication systems are maintained.

	1957 actual	*1958 estimate*	*1959 estimate*
Square-foot buildings maintained	18,530,000	19,658,000	20,750,000
Average amount available per square foot for maintaining buildings	$0.147	$0.133	$0.126

10. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$43,909	$40,503	$40,503	$40,503
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,230,914	1,621,516	1,621,516	1,621,516
Advances (payments for goods and services on order not yet received)	13,422	13,893	13,893	13,893
Work in process (goods and services to be costed to activities when completed)	176	3,110	3,110	3,110
Total selected resources at end of year	1,288,421	1,679,022	1,679,022	1,679,022
Selected resources at start of year (−)		−1,288,421	−1,679,022	−1,679,022
Adjustment of selected resources reported at start of year		−41,052		
Obligations incurred for costs of other years, net		349,549		

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	2,076	1,978	1,985
Full-time equivalent of all other positions	186	183	178
Average number of all employees	1,941	2,037	2,039
Number of employees at end of year	2,407	2,488	2,490
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
Average salary of ungraded positions	$3,867	$3,997	$3,995
01 Personal services:			
Permanent positions	$8,375,623	$9,064,206	$9,148,376
Positions other than permanent	777,451	781,410	762,410
Other personal services	96,919	111,782	112,149
Total personal services	9,249,993	9,957,398	10,022,935
02 Travel	606,292	531,500	553,500
03 Transportation of things	150,920	122,300	122,300
04 Communication services	143,747	138,400	138,400
05 Rents and utility services	189,901	189,600	189,600
06 Printing and reproduction	30,010	25,300	25,300
07 Other contractual services	1,520,531	1,114,361	1,100,000
Services performed by other agencies	380,161	297,300	297,300
08 Supplies and materials	2,672,115	1,934,600	1,958,215
09 Equipment	932,580	534,200	534,200
10 Lands and structures	391,338	382,000	382,000
11 Grants, subsidies, and contributions	457,012	1,254,500	1,113,600
13 Refunds, awards, and indemnities	5,134	4,200	4,200
15 Taxes and assessments	40,720	41,200	41,200
16 Investments and loans		638,941	693,750
Subtotal	16,770,454	17,165,800	17,176,500
Deduct quarters and subsistence charges	195,238	208,300	208,300
Total, Bureau of Indian Affairs	16,575,216	16,957,500	16,968,200
ALLOCATION TO GEOLOGICAL SURVEY			
07 Other contractual services	33,349	42,500	31,800
Total obligations	16,608,565	17,000,000	17,000,000

Construction

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities; acquisition of lands and interests in lands; preparation of lands for farming; and architectural and engineering services by contract; *$13,000,000*, to remain available until expended[, $17,000,000]: *Provided*, That no part of the sum herein appropriated shall be used for the acquisition of land within the States of Arizona, California, Colorado, New Mexico, South Dakota, Utah, and Wyoming outside of the boundaries of existing Indian reservations: *Provided further*, That no part of this appropriation shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, and Washington either inside or outside the boundaries of existing reservations. (*25 U. S. C. 13, 381b, 386, 465, 631–640; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$17,000,000** Estimate 1959, **$13,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1959	Appropriation required to complete
Program by activities:									
1. Buildings and utilities	$56,253,617	$16,985,955	$6,121,397	$12,309,233	$11,301,000	$5,379,032	$3,310,032	$9,232,000	$6,226,000
2. Irrigation systems	167,679,043	95,561,673	3,122,261	4,000,000	3,700,000	1,481,568	1,549,568	3,768,000	59,745,541
3. Land acquisition	132,805	42,500	6,880	43,425	40,000	40,000			
Total program costs	224,065,465	112,590,128	9,250,538	16,352,658	15,041,000	6,900,600	4,859,600	13,000,000	65,971,541
Property or services transferred in without cost, net (−)			−317,561						
Total program costs, funded			8,932,977	16,352,658	15,041,000				
4. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−284,573	−200,000				
Obligations incurred for costs of other years, net			2,813,598						
Total program (obligations)			11,746,575	16,068,085	14,841,000				
Financing:									
Unobligated balance brought forward			−7,415,660	−909,085	−1,841,000				
Unobligated balance carried forward			909,085	1,841,000					
Appropriation (new obligational authority)			5,240,000	17,000,000	13,000,000				

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

CONSTRUCTION—Continued

1. *Buildings and utilities.*—This consists of construction and additions to schools, dormitories, quarters, office and other buildings; improvement to sewer systems and waterworks; major repairs and rehabilitation of existing buildings and utilities; preparation of plans; and engineering supervision and surveys.

2. *Irrigation systems.*—This work consists of construction, extension, and rehabilitation of irrigation systems on Indian reservations for the utilization of irrigable lands.

3. *Land acquisition.*—Purchases are made to consolidate lands in heirship status.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 estimate*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$5,861	$5,613	$5,600	$5,600
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	2,484,772	5,070,523	4,800,000	4,600,000
Advances (payments for goods and services on order not yet received)	20,170	3,925	4,000	4,000
Work in process (goods and services to be costed to activities when completed)	19,772	264,112	250,000	250,000
Total selected resources at end of year	2,530,575	5,344,173	5,059,600	4,859,600
Selected resources at start of year (−)		−2,530,575	−5,344,173	−5,059,600
Costs financed from obligations of other years, net (−)			−284,573	−200,000
Obligations incurred for costs of other years, net		2,813,598		

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	372	452	452
Full-time equivalent of all other positions	81	205	311
Average number of all employees	383	617	723

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
BUREAU OF INDIAN AFFAIRS—continued			
Number of employees at end of year	429	670	776
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
Average salary of ungraded positions	$3,867	$3,997	$3,995
01 Personal services:			
Permanent positions	$1,570,709	$2,148,961	$2,158,500
Positions other than permanent	379,284	966,500	1,466,500
Other personal services	107,603	123,972	125,000
Total personal services	2,057,596	3,239,433	3,750,000
02 Travel	162,415	200,000	200,000
03 Transportation of things	178,349	281,700	281,700
04 Communication services	33,333	40,000	40,000
05 Rents and utility services	32,429	50,425	50,425
06 Printing and reproduction	32,099	50,450	50,450
07 Other contractual services	463,331	440,899	452,560
Services performed by other agencies	23,421	14,470	14,470
08 Supplies and materials	1,292,428	1,503,900	1,503,900
09 Equipment	286,211	420,000	420,000
10 Lands and structures	6,695,066	9,630,481	7,892,829
11 Grants, subsidies, and contributions	240,825	121,000	121,000
13 Refunds, awards, and indemnities	197,919		
15 Taxes and assessments	11,506	21,001	21,001
Subtotal	11,706,928	16,013,759	14,798,335
Deduct quarters and subsistence charges	20,451	21,575	21,575
Total, Bureau of Indian Affairs	11,686,477	15,992,184	14,776,760
ALLOCATION TO ACCOUNTS			
07 Other contractual services	60,098	75,901	64,240
Total obligations	11,746,575	16,068,085	14,841,000
Obligations are distributed as follows:			
Bureau of Indian Affairs	$11,686,477	$15,992,184	$14,776,760
Geological Survey	33,384	38,051	20,000
Bureau of Reclamation	26,714	37,850	44,240

ROAD CONSTRUCTION AND MAINTENANCE (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred pursuant to authority contained in section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73) and section 106 of the Federal-Aid Highway Act of 1956 (70 Stat. 376), [$12,000,000] *$8,000,000,* to remain available until expended: *Provided, That contract authorization granted for the fiscal year 1959, by sections 104 (c) and 106 of the Federal-Aid Highway Act of 1956, is hereby reduced by the amount of $3,622,000. (Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$12,000,000** Estimate 1959, **$8,000,000**

Program and Financing

	Costs			Analysis of 1959 financing		
	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources end of year, and unobligated balance rescinded	Contract authorization available for 1959
Program by activities:						
1. Road maintenance	$2,684,840	$2,733,414	$2,600,000	$2,600,000		
2. Road construction	7,405,330	9,488,730	7,000,000	17,535,000	$10,535,000	
Total program costs	10,090,170	12,222,144	9,600,000	20,135,000	10,535,000	
Property and services transferred without charge, net (−)	319,310					
Total program costs, funded	9,770,860	12,222,144	9,600,000			
3. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)		−182,557	−100,000			
Obligations incurred for costs of other years, net	175,257					
Total program (obligations)	9,946,117	12,039,587	9,500,000			
Financing:						
Unobligated balance brought forward (contract authorization)	−11,107,704	−13,161,587	−13,122,000			
Unobligated balance carried forward (contract authorization)	13,161,587	13,122,000				
Unobligated balance rescinded (contract authorization)			3,622,000			
Contract authorization (new)	12,000,000	12,000,000				

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Status of Unfunded Contract Authorization

	1957 actual	1958 estimate	1959 estimate
Unfunded balance at beginning of year	$14,185,071	$14,685,071	$14,685,071
Contract authorization (new)	12,000,000	12,000,000	
Unfunded balance rescinded			−3,622,000
Unfunded balance at end of year	−14,685,071	−14,685,071	−3,063,071
Appropriation to liquidate contract authorization	11,500,000	12,000,000	8,000,000

1. *Road maintenance.*—The Bureau of Indian Affairs road system which requires maintenance includes 17,800 miles of roads located on 179 reservations in 22 of the States.

2. *Road construction.*—The proposed road construction program for 1959 places emphasis on the completion of unfinished road projects necessary to the economy and community life of the areas served, and the reconstruction of roads to standards acceptable to those local governments willing to assume future maintenance responsibilities.

	1957 actual	*1958 estimate*	*1959 estimate*
Grading and draining (miles)	375	327	288
Surface (miles)	448	392	343
Bridge construction (running feet)	2,256	2,246	1,567
Surveys and plans (miles)	544	522	446

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 estimate*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$52,648	$36,494	$36,000	$36,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	3,629,219	3,414,454	3,400,000	3,400,000
Advances (payments for goods and services on order not yet received)	81,768	74,034	74,000	74,000
Equipment (acquisition value of facilities used on projects less depreciation charged to project costs)	2,461,815	3,667,253	3,500,000	3,400,000
Work in process (goods and services to be costed to activities when completed)	4,480	3,322	3,000	3,000
Total selected resources at end of year	6,229,930	7,195,557	7,013,000	6,913,000
Selected resources at start of year (−)		−6,229,930	−7,195,557	−7,013,000
Adjustment of selected resources reported at start of year		−790,370		
Costs financed from obligations of other years, net (−)			−182,557	−100,000
Obligations incurred for costs of other years, net		175,257		

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	755	760	760
Full-time equivalent of all other positions	187	212	212
Average number of all employees	784	843	843
Number of employees at end of year	893	1,000	1,000
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
Average salary of ungraded positions	$3,867	$3,997	$3,995
01 Personal services:			
Permanent positions	$2,633,880	$2,808,543	$2,823,725
Positions other than permanent	814,225	954,000	964,600
Other personal services	24,048	28,695	29,000
Total personal services	3,472,153	3,791,238	3,817,325
02 Travel	120,101	123,700	123,700
03 Transportation of things	24,119	24,300	24,300
04 Communication services	30,890	32,650	32,650
05 Rents and utility services	49,636	51,800	51,800
06 Printing and reproduction	2,488	3,000	3,000
07 Other contractual services	148,235	183,700	183,700
Services performed by other agencies	3,424	14,000	14,000
08 Supplies and materials	1,049,394	1,017,248	1,017,000
09 Equipment	350,650	414,000	414,000
10 Lands and structures	4,408,492	5,929,300	3,363,971
11 Grants, subsidies, and contributions	2,207	180,765	180,765
13 Refunds, awards, and indemnities	1,426	1,700	1,700
15 Taxes and assessments	21,813	20,320	20,320
Subtotal	9,685,028	11,787,721	9,248,231
Deduct quarters and subsistence charges	46,914	48,231	48,231
Total, Bureau of Indian Affairs	9,638,114	11,739,490	9,200,000

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	10	10	8
Full-time equivalent of all other positions	7	5	4
Average number of all employees	17	12	9
Number of employees at end of year	8	5	4
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$51,294	$34,900	$27,700
Positions other than permanent	21,946	14,800	11,700
Other personal services	4,493	3,300	2,600
Total personal services	77,733	53,000	42,000
02 Travel	16,242	14,000	12,000
03 Transportation of things	65	100	100
04 Communication services	279	300	200
05 Rents and utility services	2,616	25,300	25,000
06 Printing and reproduction	494	400	300
07 Other contractual services	65,640	44,000	36,000
08 Supplies and materials	1,803	11,000	11,000
09 Equipment	10	100	
10 Lands and structures	143,121	148,397	170,700
11 Grants, subsidies, and contributions		3,500	2,700
Total, Bureau of Public Roads	308,003	300,097	300,000
Total obligations	9,946,117	12,039,587	9,500,000

General Administrative Expenses

For expenses necessary for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, $3,450,000. (*25 U. S. C. 13; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$3,450,000** Estimate 1959, **$3,450,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental office	$871,639	$923,000	$923,000
2. Field offices	2,450,271	2,510,000	2,527,000
Total program costs	3,321,910	3,433,000	3,450,000
Property or services transferred in without charge, net (−)	−197,133		
Total program costs, funded	3,124,777	3,433,000	3,450,000
3. Relation of costs to obligations: Obligations incurred for costs of other years	26,925		
Total program (obligations)	3,151,702	3,433,000	3,450,000
Financing:			
Unobligated balance no longer available	38,298	17,000	
Appropriation (new obligational authority)	3,190,000	3,450,000	3,450,000

Direction and guidance are furnished at the central, area, and reservation organizational levels with regard to administrative methods and organization, budget and fiscal management, personnel management, audit, safety and inspection services, property and supply management, records management, and office services. The administration of common service activities is partially financed on a benefit basis from other Bureau activity funds.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 estimate*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,542	$695	$695	$695
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	57,057	83,660	83,660	83,660
Advances (payments for goods and services on order not yet received)	3,316	6,252	6,252	6,252
Work in process (goods and services to be costed to activities when completed)	371	310	310	310
Total selected resources at end of year	64,286	90,917	90,917	90,917
Selected resources at start of year (−)		−64,286	−90,917	−90,917
Adjustment of selected resources reported at start of year		294		
Obligations incurred for costs of other years, net		26,925		

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	476	502	502
Full-time equivalent of all other positions	5	1	1
Average number of all employees	429	472	475
Number of employees at end of year	469	462	465
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
Average salary of ungraded positions	$3,867	$3,997	$3,995
01 Personal services:			
Permanent positions	$2,306,487	$2,586,757	$2,602,697
Positions other than permanent	17,853	4,310	4,310
Other personal services	49,454	23,730	23,730
Total personal services	2,373,794	2,614,797	2,630,737
02 Travel	257,015	255,600	255,600
03 Transportation of things	19,083	17,600	17,600
04 Communication services	106,860	101,850	101,850
05 Rents and utility services	60,652	59,550	59,550
06 Printing and reproduction	37,373	22,375	22,375
07 Other contractual services	81,467	76,100	76,100
Services performed by other agencies	79,186	39,200	39,200
08 Supplies and materials	142,313	125,840	119,500
09 Equipment	39,669	10,000	10,000
11 Grants, subsidies, and contributions	2,680	161,700	169,100
13 Refunds, awards, and indemnities	2,257	1,700	1,700
15 Taxes and assessments	1,626	674	674
Subtotal	3,203,975	3,486,986	3,503,986
Deduct quarters and subsistence charges	52,273	53,986	53,986
Total obligations	3,151,702	3,433,000	3,450,000

PAYMENT TO KLAMATH TRIBE OF INDIANS

For reimbursement to the Klamath Tribe of Indians of necessary expenses involved in preparing for termination of Federal supervision, in accordance with the Act of August 14, 1957 (71 Stat. 347), $250,000, to remain available until expended.

Estimate 1959, **$250,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to Klamath Tribe of Indians (total costs—obligations)			$200,000
Financing:			
Unobligated balance carried forward			50,000
Appropriation (new obligational authority)			250,000

Provision is made for reimbursing the Klamath Tribe of Indians for necessary expenses involved in preparation for termination of Federal supervision.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services			$200,000

PAYMENT TO MENOMINEE TRIBE OF INDIANS

For reimbursement to the Menominee Tribe of Indians of necessary expenses involved in preparing for termination of Federal supervision, in accordance with the Act of July 14, 1956 (70 Stat. 544), [$300,000] *$200,000*, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$300,000** Estimate 1959, **$200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to Menominee Tribe of Indians (total costs—obligations)		$300,000	$200,000
Financing:			
Appropriation (new obligational authority)		300,000	200,000

Provision is made for reimbursing the Menominee Tribe of Indians for necessary expenses involved in preparing for termination of Federal supervision.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services		$300,000	$200,000

DISTRIBUTION OF FUNDS OF THE CREEK INDIANS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Distribution of funds of the Creek Indians (total costs)	$54,591	$70,409	$75,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		−88	
Obligations incurred for costs of other years (unpaid undelivered orders), net	88		
Total program (obligations)	54,679	70,321	75,000
Financing:			
Unobligated balance brought forward		−145,321	−75,000
Unobligated balance carried forward	145,321	75,000	
Appropriation (new obligational authority)	200,000		

1. This provides for expenses incident to the distribution of funds held in trust for members of the Creek Nation of Indians (69 Stat. 431). Funds appropriated in 1957 will be expended in 1958 and future years. No new funds are requested for 1959.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1957 was $88.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	14	14	14
Average number of all employees	11	13	14
Number of employees at end of year	14	14	14
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
01 Personal services:			
Permanent positions	$41,221	$51,300	$55,780
Other personal services	159	200	220
Total personal services	41,380	51,500	56,000
02 Travel	1,501	1,800	1,800
03 Transportation of things	124		
04 Communication services	169	400	500
06 Printing and reproduction	188	400	800
07 Other contractual services	525	10,600	10,600
08 Supplies and materials	8,625	1,021	850
09 Equipment	1,945	1,000	500
11 Grants, subsidies, and contributions		3,300	3,600
15 Taxes and assessments	222	300	350
Total obligations	54,679	70,321	75,000

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Bureau of Indian Affairs Miscellaneous Accounts

Note.—The following schedule includes balances for—
"Fulfilling treaties with Columbias and Colvilles."
"Fulfilling treaties with Indians formerly of Lemhi Agency, Idaho."
"Fulfilling treaties with Winnebagoes."
"Payment to Shawnee and affiliated Delaware Indians, Oklahoma, Act December 22, 1927."
"Payment to Indians of Klamath agency, Oregon."
"Payment to Indians of Round Valley Reservation, California, for lands."
"Payment to absentee Shawnees, for lands."
"Payment to Standing Rock and Cheyenne River Indians for ponies."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Payment to Pine Ridge Sioux Tribe of Indians"	$290,500	$147,000	
2. "Payment to Indians, States, counties, etc., act June 11, 1940"		1,903	
3. "Payment to loyal Creeks and Freedmen"	29,297	509,331	
4. "Payment to Sioux Indians for property losses, act May 3, 1928	11,934		
5. "Redemption of restricted Indian property subject to taxation"		4,883	
6. "Relocation of Yankton Sioux Tribe"	106,500		
Total program costs	438,231	663,117	
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−41,231	−509,331	
Total program (obligations)	397,000	153,786	
Financing:			
Unobligated balance brought forward	−127,827	−168,167	−$14,381
Unobligated balance carried forward	168,167	14,381	14,381
Unobligated balance no longer available	160		
Appropriation (new obligational authority)	437,500		

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$538,628	$509,331		
Selected resources at start of year (−)		−538,628	−$509,331	
Adjustment of selected resources reported at start of year		−11,934		
Costs financed from obligations of other years, net (−)		−41,231	−509,331	

Object Classification

		1957 actual	1958 estimate	1959 estimate
10	Lands and structures	$50,000		
11	Grants, subsidies, and contributions	347,000	$147,000	
13	Refunds, awards, and indemnities		6,786	
	Total obligations	397,000	153,786	

Administrative Provisions

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans) shall be available for expenses of exhibits; purchase of not to exceed [three hundred] *two hundred sixty-five* passenger motor vehicles for replacement only, which may be used for the transportation of Indians; advance payments for service (including services which may extend beyond the current fiscal year) under contracts executed pursuant to the Act of June 4, 1936 (25 U. S. C. 452), and legislation terminating Federal supervision over certain Indian tribes; purchase of ice for official use of employees; and expenses required by continuing or permanent treaty provisions. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Tribal Funds

(Trust fund)

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated [$2,920,000] *$3,000,000* from tribal funds not otherwise available for expenditure for the benefit of Indians and Indian tribes, including pay and travel expenses of employees; care, tuition and other assistance to Indian children attending public and private schools (which may be paid in advance or from date of admission); purchase of land and improvements on land, title to which shall be taken in the name of the United States in trust for the tribe for which purchased; lease of lands and water rights; compensation and expenses of attorneys and other persons employed by Indian tribes under approved contracts; pay, travel, and other expenses of tribal officers, councils, and committees thereof, or other tribal organizations, including mileage for use of privately owned automobiles and per diem in lieu of subsistence at rates established administratively but not to exceed those applicable to civilian employees of the Government; relief of Indians, without regard to section 7 of the Act of May 27, 1930 (46 Stat. 391), including cash grants; and employment of a recreational director for the Menominee Reservation and a curator for the Osage Museum each of whom shall be appointed with the approval of the respective tribal councils and without regard to the classification laws: *Provided*, That in addition to the amount appropriated herein, tribal funds may be advanced to Indian tribes during the current fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary: *Provided, however*, That no part of this appropriation or other tribal funds shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, Washington, and Wyoming, either inside or outside the boundaries of existing Indian reservations, if such acquisition results in the property being exempted from local taxation. (*25 U. S. C. 123; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Permanent authorizations:			
(*a*) Payments to Indian tribes	$31,918,345	$36,603,232	$24,804,631
(*b*) Miscellaneous tribal activities	14,129,377	22,196,623	14,092,417
2. Annual authorizations:			
(*a*) Education and welfare services	153,436	192,029	188,626
(*b*) Resources management	521,068	648,737	737,639
(*c*) Construction and land acquisition	16,578	66,300	64,400
(*d*) General tribal affairs	1,377,302	1,643,989	2,009,335
3. Indefinite authorizations: Advances to Indian tribes	2,443,160	23,293,725	2,152,724
Total operating costs	50,559,266	84,644,635	44,049,772
4. Reimbursable costs: Revolving tribal credit funds	160,801	200,000	200,000
Total program costs, funded	50,720,067	84,844,635	44,249,772
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−381,931		
Obligations incurred for costs of other years (unpaid undelivered orders), net		368,945	
Total program (obligations)	50,338,136	85,213,580	44,249,772
Financing:			
Unobligated balance brought forward	94,638,620	148,912,926	134,079,346
Receipts:			
Various tribal funds	104,271,795	70,000,000	70,000,000
Licenses under Federal Power Act from Indian reservations	179,846	180,000	180,000
Reimbursements from non-Federal sources (25 U. S. C. 470)	160,801	200,000	200,000
Unobligated balance carried forward	−148,912,926	−134,079,346	−160,209,574
Total financing	50,338,136	85,213,580	44,249,772

Funds held in trust for Indian tribes under the provisions of various acts are used for expenses of tribal governments, administration of Indian tribal affairs, employment of tribal attorneys, establishment and operation of tribal enterprises, and relief of Indians. The tribes are encouraged to develop plans for the beneficial use of their funds.

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

TRIBAL FUNDS—Continued

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1956, $612,986; 1957, $231,055; 1958, $600,000; 1959, $600,000.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Direct obligations:			
Total number of permanent positions	315	313	314
Full-time equivalent of all other positions	412	370	388
Average number of all employees	696	652	671
Number of employees at end of year	279	400	400
Average GS grade and salary	5.1 $4,207	5.2 $4,279	5.2 $4,292
Average salary of ungraded positions	$4,623	$4,720	$4,720
01 Personal services:			
Permanent positions	$1,210,265	$1,224,490	$1,236,733
Positions other than permanent	1,451,380	1,302,770	1,368,728
Other personal services	14,558	29,533	28,582
Total personal services	2,676,203	2,556,793	2,634,043
02 Travel	65,792	61,450	60,375
03 Transportation of things	54,275	51,342	49,450
04 Communication services	18,427	17,471	16,372
05 Rents and utility services	20,951	20,500	21,635
06 Printing and reproduction	3,860	3,500	3,500
07 Other contractual services	883,470	884,843	870,491
08 Supplies and materials	992,766	980,375	981,345
09 Equipment	84,230	80,432	82,650
10 Lands and structures	16,578	66,300	64,400
11 Grants, subsidies, and contributions	43,487,081	78,253,359	37,180,353
15 Taxes and assessments	560,242	450,000	520,000
16 Investments and loans	1,342,737	1,623,140	1,600,000
Subtotal	50,206,612	85,049,505	44,084,614
Deduct quarters and subsistence charges	29,277	35,925	34,842
Total direct obligations	50,177,335	85,013,580	44,049,772
Reimbursable obligations:			
16 Investments and loans	160,801	200,000	200,000
Total obligations	50,338,136	85,213,580	44,249,772

Permanent authorizations:

CLAIMS AND TREATY OBLIGATIONS

(Indefinite)

Appropriated (estimate) 1958, **$140,500** Estimate 1959, **$140,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Fulfilling treaties with Senecas of New York"	$5,984	$6,000	$6,000
2. "Fulfilling treaties with Six Nations of New York"	4,500	4,500	4,500
3. "Fulfilling treaties with Pawnees of Oklahoma"	30,000	30,000	30,000
4. "Payment to Indians of Sioux Reservation"	135,176	100,000	100,000
Total program (costs—obligations)	175,660	140,500	140,500
Financing:			
Appropriation (new obligational authority)	175,660	140,500	140,500

Payments are made under treaties with certain Indian tribes and for the benefit of Sioux Indians as authorized by law.

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$175,660	$140,500	$140,500

OTHER BUREAU OF INDIAN AFFAIRS MISCELLANEOUS PERMANENT APPROPRIATIONS

(Indefinite special accounts)

Appropriated (est.) 1958, **$4,622,200** Estimate 1959, **$4,609,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936"		$69,240	$10,000
2. "Indian arts and crafts fund"		1,520	200
3. "Operation and maintenance, Indian irrigation systems"	$2,470,740	3,077,855	3,043,450
4. "Power systems, Indian irrigation projects"	1,708,867	1,529,120	1,458,350
5. "Purchase of land, Rocky Boy's Reservation, Montana"		11,157	
6. "Colorado River Indian Reservation fund, northern reserve"	63,000	138,149	100,000
7. "Colorado River Indian Reservation fund, southern reserve"	8,059	25,377	12,000
Total program costs	4,250,666	4,852,418	4,624,000
Property or services transferred in without charge, net (—)	—254,684		
Total program costs, funded	3,995,982	4,852,418	4,624,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—20,192	
Obligations incurred for costs of other years, net	180,363		
Total program (obligations)	4,176,345	4,832,226	4,624,000
Financing:			
Unobligated balance brought forward	—2,865,630	—2,663,060	—2,453,034
Unobligated balance carried forward	2,663,060	2,453,034	2,438,534
New obligational authority	3,973,775	4,622,200	4,609,500
New obligational authority:			
"Acquisition of lands and loans to Indians in Oklahoma, act June 26, 1936"	$8,099	$10,000	$10,000
"Indian arts and crafts fund"	13	200	200
"Operation and maintenance, Indian irrigation systems"	2,289,080	3,000,000	3,000,000
"Power systems, Indian irrigation projects"	1,577,481	1,500,000	1,487,300
"Colorado River Indian Reservation fund, northern reserve"	88,169	100,000	100,000
"Colorado River Indian Reservation fund, southern reserve"	10,933	12,000	12,000
Appropriation	3,973,775	4,622,200	4,609,500

1. *Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936.*—Revenue derived from mineral deposits underlying certain lands purchased in Oklahoma are used for the acquisition of lands and for loans to individual Indians, associations, or corporate groups of Indians residing in Oklahoma (25 U. S. C. 507).

2. *Indian arts and crafts funds.*—Fees charged for use of Government trademarks attesting to genuineness and quality of Indian products are used to stimulate sales of Indian arts and crafts (25 U. S. C. 305a, c).

3. *Operation and maintenance, Indian irrigation systems.*—Revenues derived from charges for operation and maintenance of Indian irrigation projects are used to defray in part the cost of operating and maintaining these projects (60 Stat. 895).

4. *Power systems, Indian irrigation projects.*—Revenues collected from the sale of electric power by the Colorado River, Flathead, and San Carlos power systems are used to operate and maintain these systems (60 Stat. 895).

5. *Purchase of land, Rocky Boy's Reservation, Montana.*—Proceeds from the sale of land, known as Great Falls Subsistence Homestead, are available for the purchase of land for the Rocky Boy's Reservation, Montana (64 Stat. 463).

6. *Colorado River Indian Reservation fund, northern reserve.*—All receipts from leasing of unassigned lands,

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Colorado River Indian Reservation, Arizona, northern reserve, may be expended for the benefit of the Colorado River tribes and their members (69 Stat. 725).

7. *Colorado River Indian Reservation fund, southern reserve.*—All receipts from leasing of unassigned lands, Colorado River Indian Reservation, Arizona, southern reserve, may be expended for the benefit of the Colorado River tribes and their members (69 Stat. 725).

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$308,433	$288,756	$300,000	$300,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	208,440	432,187	400,000	400,000
Advances (payments for goods and services on order not yet received)	480			
Work in process (goods and services to be costed to activities when completed)	24,476	1,249	2,000	2,000
Total selected resources at end of year	541,829	722,192	702,000	702,000
Selected resources at start of year (−)		−541,829	−722,192	−702,000
Costs financed from obligations of other years, net (−)			−20,192	
Obligations incurred for costs of other years, net		180,363		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	594	689	686
Full-time equivalent of all other positions	54	63	63
Average number of all employees	531	653	653
Number of employees at end of year	599	750	750
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
Average salary of ungraded positions	$3,867	$3,997	$3,995
01 Personal services:			
Permanent positions	$1,946,671	$2,484,228	$2,499,368
Positions other than permanent	176,592	207,975	210,000
Other personal services	32,347	36,610	36,109
Total personal services	2,155,610	2,728,813	2,745,477
02 Travel	14,406	11,865	11,760
03 Transportation of things	26,238	21,950	21,725
04 Communication services	16,736	14,100	13,975
05 Rents and utility services	537,645	535,025	565,487
06 Printing and reproduction	150		
07 Other contractual services	635,010	439,926	414,950
Services performed by other agencies	37,519	43,775	43,775
08 Supplies and materials	575,151	601,909	599,850
09 Equipment	121,915	72,413	78,932
10 Lands and structures	8,709	80,397	10,000
11 Grants, subsidies, and contributions	63,035	301,970	138,396
13 Refunds, awards, and indemnities	1,930	1,800	1,800
14 Interest	2,799		
15 Taxes and assessments	7,271	6,314	6,017
16 Investments and loans	1,623	1,600	1,600
Subtotal	4,205,747	4,861,857	4,653,744
Deduct quarters and subsistence charges	29,400	29,631	29,744
Total obligations	4,176,345	4,832,226	4,624,000

Public enterprise funds:

Bureau of Indian Affairs, Revolving Fund for Loans

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations): Administrative expenses	$314,121	$499,000	$524,000
Capital outlay: Acquisition of loans	2,202,873	1,500,250	4,350,000
Total program (obligations)	2,516,994	1,999,250	4,874,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	2,017,882	1,500,000	3,600,000
Interest on loans	181,997	130,000	200,000
Cattle settlements	429,770	100,000	200,000
Total amounts becoming available	2,629,649	1,730,000	4,000,000
Unobligated balance brought forward	7,832,979	7,945,634	7,676,384
Total amounts available	10,462,628	9,675,634	11,676,384
Unobligated balance carried forward	−7,945,634	−7,676,384	−6,802,384
Financing applied to program	2,516,994	1,999,250	4,874,000

440000—58——42

This fund is used to assist Indians in acquiring livestock, farm, and other equipment and in establishing tribal enterprises (25 U. S. C. 470, 471, 631). This fund and miscellaneous tribal funds provide the only source of loans for the great majority of Indians who cannot borrow from ordinary commercial credit sources because of their low economic status and lack of bankable security.

Budget program.—As of June 30, 1957, the principal of the fund amounted to $16.3 million, consisting of $13.8 million appropriated, and $2.5 million cattle settlements. Cattle settlements are payments made by the Indians for breeding stock furnished by the Government generally prior to establishment of this fund.

Operating results.—The deficit is expected to continue to increase because revenues are not sufficient to cover expenses.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$2,202,373	$1,500,000	$4,350,000
Expense	314,121	499,000	524,000
Increase in selected working capital		250	
Total gross expenditures	2,516,494	1,999,250	4,874,000
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	2,017,132	1,500,000	3,600,000
Revenue	181,997	130,000	200,000
Cattle settlement	429,770	100,000	200,000
Decrease in selected working capital	250		
Total receipts from operations	2,629,149	1,730,000	4,000,000
Budget expenditures	−112,655	269,250	874,000

Revenue, Expense, and Retained Earnings

Loan program:			
Revenue	$181,997	$130,000	$200,000
Expense (net of writeoffs and change in allowances on loans)	−296,416	559,000	594,000
Net income or loss (−), for the year	478,413	−429,000	−394,000
Deficit (−), beginning of year	−2,095,906	−1,617,493	−2,046,493
Deficit (−), end of year	−1,617,493	−2,046,493	−2,440,493

Financial Condition

Assets:			
Cash with Treasury and in banks	$7,945,634	$7,676,384	$6,802,384
Loans outstanding, net	6,711,489	6,651,489	7,331,489
Total assets	14,657,123	14,327,873	14,133,873
Liabilities:			
Current	250		
Government investment:			
Non-interest bearing capital:			
Start of year	15,844,596	16,274,366	16,374,366
Cattle settlements	429,770	100,000	200,000
End of year	16,274,366	16,374,366	16,574,366
Deficit (−)	−1,617,493	−2,046,493	−2,440,493
Total Government investment	14,656,873	14,327,873	14,133,873

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$7,832,979	$7,945,634	$7,676,384	$6,802,384
Unobligated balance	7,832,979	7,945,634	7,676,384	6,802,384

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	53	75	75
Full-time equivalent of all other positions	1		
Average number of all employees	47	69	73
Number of employees at end of year	42	72	72
Average GS grade and salary	6.2 $4,678	6.3 $4,784	6.4 $4,827
Average salary of ungraded positions	$3,867	$3,997	$3,995

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BUREAU OF INDIAN AFFAIRS—Continued

Public enterprise funds—Continued

BUREAU OF INDIAN AFFAIRS, REVOLVING FUND FOR LOANS—Con.

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$241,929	$360,855	$382,682
Positions other than permanent	3,178		
Other personal services	12,545	17,323	17,318
Total personal services	257,652	378,178	400,000
02 Travel	23,535	36,000	38,500
03 Transportation of things	3,217	3,980	3,900
04 Communication services	4,122	4,800	4,800
05 Rents and utility services	5,857	7,350	7,400
06 Printing and reproduction	267	550	550
07 Other contractual services	7,588	10,000	10,200
08 Supplies and materials	7,043	24,860	23,048
09 Equipment	8,560	15,000	15,000
11 Grants, subsidies, and contributions		22,550	24,870
13 Refunds, awards, and indemnities	703	450	200
15 Taxes and assessments	273	275	275
16 Investments and loans	2,202,373	1,500,000	4,350,000
Subtotal	2,521,190	2,003,993	4,878,743
Deduct quarters and subsistence charges	4,196	4,743	4,743
Total obligations	2,516,994	1,999,250	4,874,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Facilitating common services (Department of Health, Education, and Welfare)	$324,700	$684,287	$690,000
2. Miscellaneous other accounts	155,064	178,933	182,000
3. Replacement of personal property sold	136,502	164,780	165,000
4. Veterans tuition	15,602	15,000	15,000
5. Surplus milk products	85,909	100,000	100,000
6. Printing and reproduction	965	2,000	2,000
Total program costs (obligations)	718,742	1,145,000	1,154,000
Financing:			
Advances and reimbursements from—			
Other accounts	479,764	863,220	872,000
Non-Federal sources:			
Replacement of personal property sold (40 U. S. C. 481 (c))	136,502	164,780	165,000
Veterans tuition (25 U. S. C. 288–289)	15,602	15,000	15,000
Surplus milk (7 U. S. C. 1446 (c))	85,909	100,000	100,000
Printing and reproduction (5 U. S. C. 488)	965	2,000	2,000
Total financing	718,742	1,145,000	1,154,000

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions		29		90		90
Average number of all employees		29		90		90
Number of employees at end of year		29		90		90
Average GS grade and salary	6.2	$4,678	6.3	$4,784	6.4	$4,827
Average salary of ungraded positions		$3,867		$3,997		$3,995
01 Personal services:						
Permanent positions		$110,388		$342,450		$344,250
Other personal services				1,310		1,400
Total personal services		110,388		343,760		345,650
02 Travel		1,479		12,141		12,200
03 Transportation of things		632		1,000		1,000
04 Communication services		935		200		200
05 Rents and utility services		28,130		39,994		40,000
06 Printing and reproduction		3,565		2,000		2,000
07 Other contractual services		6,303		7,179		7,200
08 Supplies and materials		438,653		552,607		575,000
09 Equipment		98,657		114,719		98,450
10 Lands and structures		30,000		50,000		50,000
11 Grants, subsidies, and contributions				21,400		22,300
Total obligations		718,742		1,145,000		1,154,000

BUREAU OF RECLAMATION

Appropriations to the Bureau are made from the general fund and from three special funds. The special funds are (*a*) the reclamation fund, largely derived from certain irrigation and power revenues; receipts from the sale, lease, and rental of public lands; and certain oil and mineral revenues; (*b*) the Colorado River dam fund, derived from the revenues of the Boulder Canyon project; and (*c*) the Colorado River development fund, derived from transfers of money from the Colorado River dam fund. The estimates of appropriation for the budget year are summarized by source, as follows:

Annual appropriation title	*Estimate of appropriation*	*General fund*	*Reclamation fund*	*Colorado River dam fund*	*Colorado River development fund*
General investigations	$4,752,000	$225,000	$4,027,000		$500,000
Construction and rehabilitation	123,237,000	38,237,000	85,000,000		
Operation and maintenance	27,500,000	3,119,900	22,365,100	$2,015,000	
General administrative expenses	4,164,000		4,164,000		
Loan program	200,000	200,000			
Upper Colorado River Basin fund	38,425,000	38,425,000			
Total	198,278,000	80,206,900	115,556,100	2,015,000	500,000

The total request of $198,278,000 represents an increase of $18,303,777 compared with the appropriations of the current year and an increase of $4,413,500 compared with the preceding fiscal year.

Current authorizations:

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau, as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans; formulating plans and preparing designs and specifications for authorized Federal reclamation projects or parts thereof prior to initial allocation of appropriations for construction of such projects or parts; and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects; to remain available until expended, [$5,932,000] *$4,752,000*, of which [$5,182,000] *$4,027,000* shall be derived from the reclamation fund and $500,000 shall be derived from the Colorado River development fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$5,932,000** Estimate 1959, **$4,752,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Engineering and economic investigations:			
(*a*) Reconnaissance	$219,034	$325,744	$146,695
(*b*) Basin surveys	670,013	1,053,218	791,382
(*c*) Project investigations	3,830,026	3,958,604	3,713,598
(*d*) General engineering and research	129,335	161,237	135,098
2. Advance planning:			
Canadian River project, Texas		12,500	50,000
Colorado River storage project and participating projects	118,439		
Crooked River project, Oregon	110,518		
Little Wood River project, Idaho	19,767		
San Angelo project, Texas		50,000	50,000
Santa Margarita project, California	121	2,000	
Wapinitia project, Oregon	14,710		
Washoe project, Nevada	210,262	212,158	189,000
3. Investigations of existing projects	48,010	17,592	22,408
4. Alaskan investigations	183,021	253,988	247,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
5. Adjustment in cost: Prior year balances of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices	$2,430	$11,176	
Total program costs	5,555,686	6,058,217	$5,345,181
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−223,976	−160,515	−11,328
Total program (obligations)	5,331,710	5,897,702	5,333,853
Financing:			
Comparative transfers to other accounts	57,950	180,000	
Unobligated balance brought forward	−150,433	−567,940	−603,029
Advances and reimbursements from non-Federal sources (69 Stat. 356–360)	−127,167	−180,791	−1,000
Unobligated balance carried forward	567,940	603,029	22,176
Appropriation (new obligational authority)	5,680,000	5,932,000	4,752,000
Reclamation fund, special fund	4,970,000	5,182,000	4,027,000
Colorado River development fund	500,000	500,000	500,000
General fund	210,000	250,000	225,000

Surveys and investigations are made to determine the feasibility of potential reclamation projects; detailed plans are developed for authorized projects prior to appropriation of construction funds; and investigations are made for rehabilitation of existing Federal reclamation projects. Total investigations scheduled, excluding a number of investigations for which stream gaging only is in progress, are as follows:

Status	*1957 actual*	*1958 estimate*	*1959 estimate*
Prior year studies continuing	62	61	49
Prior year studies completed	20	21	25
Initiated or resumed and completed during the year	8	6	2
Initiated or resumed but not completed	20	13	24

The appropriation request for this activity is $4,752,000 for the Bureau's normal planning program (a decrease of $1,180,000 from the appropriation for the current year).

1. *Engineering and economic investigations.*—These are made to plan the development of river basins; to make feasibility investigations of potential projects prior to authorization; and to make general engineering and research studies of reclamation problems either independently or in cooperation with local, State, or other Federal agencies.

2. *Advance planning.*—Detailed field data are collected, definite plans are prepared, and repayment plans completed for authorized projects, prior to obtaining appropriations for construction.

3. *Investigations of existing projects.*—These are made to determine the need and make plans for rehabilitation, financial adjustments, or water conservation on existing Federal reclamation projects.

4. *Alaskan investigations.*—These engineering and economic investigations relate to projects for the development and utilization of the water resources of Alaska (48 U. S. C. 487–487b).

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$25,344	$24,924	$25,049	$24,924
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	301,250	160,501	114,311	112,571
Equipment and service facilities (acquisition value of facilities used on investigation activities, less depreciation charged to investigation costs)	$459,676	$376,869	$262,419	$252,956
Total selected resources at end of year	786,270	562,294	401,779	390,451
Selected resources at start of year (−)		−786,270	−562,294	−401,779
Costs financed from obligations of other years, net (−)		−223,976	−160,515	−11,328

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF RECLAMATION			
Total number of permanent positions	709	733	717
Full-time equivalent of all other positions	58	35	25
Average number of all employees	649	741	709
Number of employees at end of year	660	747	745
Average GS grade and salary	7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions	$4,733	$4,931	$5,038
Direct obligations:			
01 Personal services:			
Permanent positions	$3,314,647	$3,969,415	$3,951,960
Positions other than permanent	221,056	142,471	102,638
Other personal services	37,455	55,967	62,597
Total personal services	3,573,158	4,167,853	4,117,195
02 Travel	263,936	232,322	220,712
03 Transportation of things	32,487	32,812	29,973
04 Communication services	34,741	38,337	42,794
05 Rents and utility services	44,617	26,525	17,502
06 Printing and reproduction	37,649	52,767	48,151
07 Other contractual services	516,008	169,923	136,736
Services performed by other agencies	246,475	269,958	260,180
08 Supplies and materials	146,221	147,479	119,475
09 Equipment	87,216	76,715	57,200
11 Grants, subsidies, and contributions		271,534	275,215
13 Refunds, awards, and indemnities	2,364	9,374	2,753
15 Taxes and assessments	7,227	7,007	6,967
Subtotal	4,992,099	5,502,606	5,334,853
Deduct quarters and subsistence charges	1,380	1,300	2,000
Total direct obligations	4,990,719	5,501,306	5,332,853
Reimbursable obligations: Services included in other accounts: Reclamation trust funds	127,167	180,791	1,000
Total, Bureau of Reclamation	5,117,886	5,682,097	5,333,853
ALLOCATION ACCOUNTS			
01 Personal services: Permanent positions	978	980	
02 Travel	300	300	
07 Other contractual services	211,703	213,482	
08 Supplies and materials	843	843	
Total, allocation accounts	213,824	215,605	
Total obligations	5,331,710	5,897,702	5,333,853
Obligations are distributed as follows:			
Bureau of Reclamation	$5,117,886	$5,682,097	$5,333,853
Fish and Wildlife Service	2,121	2,123	
Geological survey	211,703	213,482	

Construction and Rehabilitation

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, [$116,736,223] *$123,237,000,* of which [$55,000,000] *$85,000,000* shall be derived from the reclamation fund: *Provided,* That no part of this appropriation shall be available for other than the completion of field engineering, survey work, and preliminary designs of the Southwest Contra Costa County Water District System and no repayment contract shall be executed or construction begun until plans have been submitted to and approved by the Congress through its legislative and appropriation procedures, after submission of a report to the Congress by the Secretary of the Interior (1) on the cost and feasibility of said project, including the necessary distribution system and (2) on the rates required to be charged to the ultimate consumers: *Provided further,* That any portion of this or prior appropriations available for the construction of extensions to the distribution system of the Southern San Joaquin Municipal Utility District may be expended

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

without regard to the land certification requirement under this heading in the Interior Department Appropriation Act, 1953 (60 Stat. 445), after the execution and approval of a contract which obligates the entire district to repay the cost of such facilities: [*Provided further,* That not to exceed $69,000 shall be available toward emergency rehabilitation of the works of the Arnold Irrigation District as under the Act of October 7, 1949 (63 Stat. 724), as amended, to be repaid in full under conditions satisfactory to the Secretary of the Interior:] *Provided further,* That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$116,736,223** Estimated 1959, [a] **$123,237,000**

[a] Excludes $200,000 for activities transferred in the estimates to "Loan program." The amount obligated in 1957 is shown in the schedule as a comparative transfer.

Program and Financing

	Cost to this appropriation					Obligations			Appropriation required for 1959
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	
Program by activities:									
1. Central Valley project, California	$778,144,686	$450,658,386	$18,792,271	$25,679,617	$39,736,324	$19,628,887	$24,961,713	$39,715,000	$39,715,000
2. Santa Maria project, California	12,162,314	534,509	3,253,865	5,868,211	1,665,729	3,898,108	5,995,000	1,629,000	1,629,000
3. Solano project, California	39,237,571	18,122,752	11,049,437	5,838,282	1,167,661	9,002,229	5,033,561	1,081,000	1,081,000
4. Ventura project, California	30,218,241		5,448,158	11,638,421	10,112,000	6,897,852	12,002,148	10,058,000	10,058,000
5. Collbran project, Colorado	13,744,696	−2,000	217,710	1,955,930	3,283,000	518,365	2,050,000	3,281,000	3,281,000
6. Little Wood River project, Idaho	2,137,718			331,000	1,006,500		400,000	1,000,000	1,000,000
7. Fort Peck project, Montana-North Dakota	22,176,794	10,232,016	201,328	723,450	2,000,000	25,168	702,580	2,000,000	2,000,000
8. Middle Rio Grande project, New Mexico	30,978,535	15,407,837	3,797,065	3,741,397	3,658,000	3,823,411	3,814,000	3,628,000	3,628,000
9. Washita Basin project, Oklahoma	40,300,000		365,414	2,985,000	6,510,000	389,370	3,573,000	6,500,000	6,500,000
10. Crooked River project, Oregon	6,968,000			651,000	943,000		850,000	1,000,000	1,000,000
11. Rogue River Basin project, Talent division, Oregon	22,992,000		1,258,108	5,953,603	9,470,000	2,071,490	6,189,510	9,500,000	9,500,000
12. Wapinitia project, Juniper division, Oregon	514,000			95,000	308,000		400,000	95,000	95,000
13. Weber Basin project, Utah	68,670,000	18,138,941	7,265,718	8,915,743	4,078,000	7,174,103	7,434,735	4,048,000	4,048,000
14. Columbia Basin project, Washington	778,461,000	491,367,180	14,803,311	13,238,126	8,445,000	15,590,929	13,425,000	8,395,000	8,395,000
15. Eden project, Wyoming	8,175,217	5,287,284	1,103,443	798,700	663,528	1,078,445	875,000	615,000	615,000
16. Shoshone project, Wyoming	24,266,431	21,697,507	234,922	661,347	505,000	209,819	763,600	501,000	501,000
17. Drainage and minor construction	1,097,507,316	1,025,532,948	21,470,032	16,860,048	3,369,989	21,266,161	11,711,227	2,641,611	2,564,000
18. Rehabilitation and betterment of existing projects	37,387,536	13,832,988	2,990,552	3,748,735	2,693,572	3,355,431	3,396,086	2,605,876	2,603,000
19. Missouri River Basin:									
Bostwick division, Nebraska-Kansas	50,877,860	25,861,940	4,284,754	3,519,868	1,146,000	4,568,573	1,726,950	1,136,000	1,136,000
Cedar Bluff unit, Kansas	18,805,020	13,793,421	11,450	68,149		11,630	67,339		
Frenchman-Cambridge division, Nebraska	78,050,711	49,609,052	2,891,947	3,567,896	3,081,000	2,897,490	3,298,690	2,900,000	2,900,000
Glendo unit, Wyoming	43,818,567	7,603,524	8,452,141	13,901,155	10,563,000	10,589,714	10,318,000	10,563,000	10,563,000
Helena Valley unit, Montana	11,311,789	616,159	1,340,749	4,854,488	2,010,000	2,307,734	4,570,000	2,000,000	2,000,000
Owl Creek unit, Wyoming	3,969,345	476,098	450,422	1,566,758	1,223,067	636,225	1,600,000	1,192,000	1,192,000
Transmission division, various	301,278,645	91,066,489	6,311,409	9,520,370	9,986,000	6,095,216	9,241,850	9,955,000	9,955,000
Webster unit, Kansas	17,709,916	11,270,777	391,031	1,113,960	1,218,000	566,918	1,027,000	1,218,000	1,218,000
Yellowtail unit, Montana-Wyoming	93,521,129	157,791	228,794			13,794			
Drainage and minor construction	234,323,026	155,031,725	6,662,052	3,376,343	561,899	5,078,725	2,758,066	560,000	560,000
Investigations	40,968,211	27,213,508	1,811,058	1,568,049	833,652	1,770,742	1,494,867	798,222	798,222
Advance planning	30,422,963	19,282,215	772,754	1,420,158	1,253,348	763,672	1,407,385	1,201,778	1,201,778
Subtotal, Missouri River Basin, Bureau of Reclamation	925,057,182	401,982,699	33,608,561	44,477,194	31,875,966	35,300,433	37,510,147	31,524,000	31,524,000
Other Department of the Interior agencies	[1] 51,025,660	42,006,584	2,710,739	3,308,337	3,000,000	2,710,739	3,308,337	3,000,000	3,000,000
Total, Missouri River Basin	976,082,842	443,989,283	36,319,300	47,785,531	34,875,966	38,011,172	40,818,484	34,524,000	34,524,000
20. Adjustment in cost—prior year balance of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices			1,225,339	447,888		1,509,412	447,888		
21. Undistributed reduction based on anticipated delays and savings				−2,425,880	−9,500,000		−2,425,880	−9,500,000	−9,500,000
Total program costs	3,990,124,897	2,514,799,631	129,795,973	155,491,149	124,991,269				
22. Relation of costs to obligations:									
Costs financed from obligations of other years net (−)				−13,073,497	−1,673,782				
Obligations incurred for costs of other years, net			4,654,379						
Total program (obligations)			134,450,352	142,417,652	123,317,487	134,450,352	142,417,652	123,317,487	
Financing:									
Comparative transfers to other accounts						12,332,439			
Unobligated balance brought forward						−30,749,370	−28,123,590	−2,442,161	
Unobligated balance transferred to "Loan program"								2,267,561	
Recovery of prior year obligations						−181,511			
Unobligated balance carried forward						28,123,590	2,442,161	94,113	
Appropriation (new obligational authority)						143,975,500	116,736,223	123,237,000	123,237,000
Reclamation fund, special fund						63,083,000	55,000,000	85,000,000	85,000,000
General fund						80,892,500	61,736,223	38,237,000	38,237,000

[1] Represents total cost to June 30, 1959.

The program consists of preparation of designs and specifications for all projects subsequent to initial allocation for construction, award and servicing of construction contracts, construction of authorized projects, operation and maintenance during construction of completed features of projects, and rehabilitation of existing facilities. Investigations and advance planning for units of the Missouri River Basin project are also included.

The appropriation request of $123.2 million represents an increase of $6.5 million over 1958. This increase is

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principally to provide for earnings under construction contracts awarded in prior years which continue into 1959. Contracts for construction of the major features of the Trinity Division, Central Valley project, are a major contributor to the increase.

The table "Construction and rehabilitation program" shows work continuing on 46 projects or units, with 4 of these scheduled for completion during the year. No new starts are recommended for 1959. Bureau operations during the year will provide facilities for 152,895 new and supplemental acres of irrigated land and 20,500 kilowatts of new power generating capacity.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$2,113,163	$1,683,303	$1,335,230	$1,087,074
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	26,821,851	30,664,536	18,911,288	18,385,000
Service facilities (acquisition value of facilities less depreciation charged to project cost)	7,109,552	10,207,885	9,089,003	8,129,665
Deferred charges (investigations of abandoned or unprogramed works, operation and maintenance during construction, and investments)	2,355,660	498,881	645,587	705,587
Total selected resources at end of year	38,400,226	43,054,605	29,981,108	28,307,326
Selected resources at start of year (−)		−38,400,226	−43,054,605	−29,981,108
Costs financed from obligations of other years, net (−)			−13,073,497	−1,673,782
Obligations incurred for costs of other years, net		4,654,379		

CONSTRUCTION AND REHABILITATION PROGRAM

Projects or activities	Estimated total project cost	Estimated transfers to/from (−) other projects or funds, net	Total estimate of costs to this appropriation	Program accomplished through 1958			1959 program goals		
				Power	Irrigation		Power	Irrigation	
				Kilowatts installed capacity	New acres	Supplemental acres	Kilowatts installed capacity	New acres	Supplemental acres
	Millions of dollars	*Millions of dollars*	*Millions of dollars*	*Thousands of kilowatts*	*Thousands of acres*	*Thousands of acres*	*Thousands of kilowatts*	*Thousands of acres*	*Thousands of acres*
Completed, June 30, 1957 (70 projects and 3 Missouri River Basin units)	478.7		478.7	444.0	2,228.3	1,964.0			
Completed, 1958 (12 projects and 3 Missouri River Basin units)	241.4	−4.1	237.3	277.9	98.2	729.5			
Construction and rehabilitation, 1959:									
Construction:									
Continued:									
Central Valley	793.3	−15.2	778.1	629.5	33.7	812.8			56.4
Columbia Basin	772.8	+5.7	778.5	1,974.0	383.0			25.0	
Missouri River Basin:									
Frenchman-Cambridge division	78.7	−.7	78.0		26.2	1.0		12.8	
Glendo	44.3	−.5	43.8	24.0		40.0			
Transmission division	303.1	−1.8	301.3						
Rogue River Basin, Talent division	23.7	−.7	23.0				16.0		5.0
Ventura River	31.0	−.8	30.2						
Washita Basin	40.6	−.3	40.3						
Weber Basin	70.5	−1.8	68.7	5.4	3.0	9.5		8.5	1.0
Other (8 projects and 5 Missouri River Basin units)	269.9	−18.9	251.0	10.6	166.2	11.4		27.2	9.9
Drainage and minor construction (12 projects and 8 Missouri River Basin units)	651.6	−7.3	644.3	1,648.1	1,193.0	32.6		5.6	
Total, continued (26 projects and 16 Missouri River Basin units)	3,079.5	−42.3	3,037.2	4,291.6	1,805.1	907.3	16.0	79.1	72.3
Completed:									
Colorado-Big Thompson	159.3	−.2	159.1	179.4		615.0	4.5		
Provo River	34.1	−.6	33.5	5.0		46.6			
Santa Maria	14.2	−.3	13.9					1.5	
Sun River-Greenfields	9.8	+.2	10.0		83.5				
Total completed (4 projects)	217.4	−.9	216.5	184.4	83.5	661.6	4.5	1.5	
Inactive (1 project and 3 Missouri River Basin units)	97.7	+.3	98.0		4.9	1.0			
Total construction	3,394.6	−42.9	3,351.7	4,476.0	1,893.5	1,569.9	20.5	80.6	72.3
Rehabilitation and betterment (work on 13 projects)	35.0	−.4	34.6						
Grand total, construction and rehabilitation	4,149.7	−47.4	4,102.3	5,197.9	4,220.0	4,263.4	20.5	80.6	72.3

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF RECLAMATION			
Total number of permanent positions	5,780	5,240	4,273
Full-time equivalent of all other positions	126	118	88
Average number of all employees	4,802	4,834	4,036
Number of employees at end of year	5,009	4,749	3,984
Average GS grade and salary	7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions	$4,733	$4,931	$5,038
01 Personal services:			
Permanent positions	$24,322,106	$24,802,775	$21,621,475
Positions other than permanent	583,752	548,629	409,124
Other personal services	726,703	662,016	453,807
Total personal services	25,632,561	26,013,420	22,484,406
02 Travel	897,695	883,829	715,297
03 Transportation of things	409,038	479,086	331,036
04 Communication services	327,368	315,151	292,035
05 Rents and utility services	243,919	285,514	210,514
06 Printing and reproduction	233,328	230,984	242,824
07 Other contractual services	3,733,343	6,477,114	1,745,915
Services performed by other agencies	904,384	1,405,236	1,437,370

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
BUREAU OF RECLAMATION—Continued			
08 Supplies and materials	$3,021,103	$3,568,905	$2,978,653
09 Equipment	2,890,887	2,272,745	1,624,388
10 Lands and structures	93,056,152	95,353,086	86,731,741
11 Grants, subsidies, and contributions	25,178	1,668,690	1,485,160
13 Refunds, awards, and indemnities	102,227	74,284	84,504
15 Taxes and assessments	31,904	33,160	33,108
Subtotal	131,509,087	139,061,204	120,396,951
Deduct quarters and subsistence charges	231,540	129,940	79,464
Total, Bureau of Reclamation	131,277,547	138,931,264	120,317,487
ALLOCATION ACCOUNTS			
Total number of permanent positions	133	141	131
Full-time equivalent of all other positions	12	18	11
Average number of all employees	127	158	132
Number of employees at end of year	132	166	148
Average GS grade and salary	7.2 $5,192	7.7 $5,376	7.8 $5,543
Average salary of ungraded positions	$4,479	$4,560	$4,830

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION ACCOUNTS—continued			
01 Personal services:			
Permanent positions	$593,174	$730,965	$671,023
Positions other than permanent	47,671	110,102	47,820
Other personal services	15,438	16,725	10,826
Total personal services	656,283	857,792	729,669
02 Travel	76,529	110,500	90,150
03 Transportation of things	2,593	5,765	4,325
04 Communication services	10,684	10,336	8,836
05 Rents and utility services	7,368	9,510	9,014
06 Printing and reproduction	5,738	6,250	4,148
07 Other contractual services	1,861,600	2,136,559	1,914,762
Services performed by other agencies	90,000	126,685	131,500
08 Supplies and materials	43,215	72,438	42,400
09 Equipment	21,722	51,950	19,200
10 Lands and structures	397,999	38,845	
11 Grants, subsidies, and contributions		47,900	43,926
13 Refunds, awards, and indemnities	443	700	600
15 Taxes and assessments	996	1,158	1,470
Subtotal	3,175,170	3,486,388	3,000,000
Deduct portion of foregoing obligations originally charged to object 10	2,365		
Total, allocation accounts	3,172,805	3,486,388	3,000,000
Total obligations	134,450,352	142,417,652	123,317,487
Obligations are distributed as follows:			
Bureau of Reclamation	$131,277,547	$138,931,264	$120,317,487
Fish and Wildlife Service	676,853	458,709	275,000
Geological Survey	1,785,130	1,899,075	1,840,000
Bureau of Indian Affairs	150,034	321,416	200,000
Bureau of Land Management	216,854	294,024	270,000
Bureau of Mines	98,065	159,068	140,000
National Park Service	230,634	342,500	275,000
Corps of Engineers, Department of the Army	5,243		
Bureau of Public Roads, Department of Commerce	4,869	11,596	
General Services Administration	5,123		

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and of other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, [$28,000,000] *$27,500,000*, of which [$22,740,000] *$22,365,100* shall be derived from the reclamation fund and [$2,044,600] *$2,015,000* shall be derived from the Colorado River dam fund[, including (notwithstanding the provisions of the First Deficiency Appropriation Act, 1944, relating thereto) operation and maintenance of Palo Verde weir]: *Provided*, That funds advanced for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and the unexpended balances of such advances shall be credited to the appropriation for the next succeeding fiscal year. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$28,000,000** Estimate 1959, **$27,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Eklutna project, Alaska	$254,330	$267,300	$267,800
2. Yuma projects office, Arizona-California	780,050	1,144,376	943,346
3. Colorado River front work and levee system, Arizona-California-Nevada	1,095,651	1,712,900	1,421,000
4. Parker-Davis project, Arizona-California-Nevada	2,183,700	2,534,600	2,395,500
5. Boulder Canyon project, Arizona-Nevada	1,218,036	1,523,000	1,390,000
6. Boulder City, Nev.	606,624	724,141	630,000
7. Cachuma project, California	67,975	76,183	37,000
8. Central Valley project, California	4,790,711	5,618,279	5,799,500
9. Kings River project, California	268	9,000	14,300
10. Colorado-Big Thompson project, Colorado	785,336	890,807	832,530
11. San Luis Valley project, Colorado	5,947	8,000	8,000
12. Palisades project, Idaho	97,858	411,244	485,000
13. Boise project, Idaho-Oregon	335,954	432,000	388,500
14. Minidoka project, Idaho-Wyoming	667,599	675,606	679,700
15. Hungry Horse project, Montana	405,321	545,000	498,000
16. Milk River project, Montana	$26,611	$37,000	$137,000
17. North Platte project, Nebraska-Wyoming	283,316	325,463	309,500
18. Carlsbad project, New Mexico	12,873	12,000	15,000
19. Middle Rio Grande project, New Mexico	1,034,053	1,048,000	1,055,000
20. Rio Grande project, New Mexico-Texas	1,342,176	1,278,290	1,300,400
21. W. C. Austin project, Oklahoma	8,129	8,400	10,400
22. Klamath project, Oregon-California	326,473	116,509	91,000
23. Falcon project, Texas	10,000	10,000	10,000
24. Provo River project, Deer Creek Dam and Powerplant, Utah	7,238	21,830	19,000
25. Columbia Basin project, Washington	3,952,366	4,836,309	4,761,000
26. Yakima project, Washington	567,732	670,400	666,000
27. Kendrick project, Wyoming	281,426	307,457	284,000
28. Riverton project, Wyoming	96,517	123,634	112,000
29. Shoshone project, Wyoming	171,841	225,958	204,400
30. Missouri River Basin	4,530,443	6,033,927	5,506,485
31. Soil and moisture conservation operations	700,528	1,084,057	726,250
32. Halogeton (poisonous weed) control	52,389	81,926	65,000
33. Projects financed entirely with funds advanced	55,180	87,201	129,515
Total program costs	26,754,651	32,880,797	31,192,126
34. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,589,629	
Obligations incurred for costs of other years, net	997,169		103,985
Total program (obligations)	27,751,820	31,291,168	31,296,111
Financing:			
Non-Federal funds advanced by water users, net [1]	−2,820,793	−3,491,168	−3,796,111
Unobligated balance no longer available	2,335,973	200,000	
Appropriation (new obligational authority)	27,267,000	28,000,000	27,500,000
Reclamation fund, special fund	22,055,700	22,740,000	22,365,100
Colorado River dam fund, Boulder Canyon project	2,115,000	2,044,600	2,015,000
General fund	3,096,300	3,215,400	3,119,900

[1] Includes unobligated balance of prior year advances: 1957, $1,140,765; 1958, $1,358,028; 1959, $1,166,860.

Provision is made for operation and maintenance of (*a*) the power-generating and transmission facilities of completed projects (except the Fort Peck transmission system financed under a revolving fund), and the irrigation and water-supply facilities on certain projects; (*b*) the Colorado River front work and levee system; and (*c*) Boulder City, Nev. Provision is also made for soil and moisture conservation operations and halogeton control on public lands under jurisdiction of the Bureau.

The Bureau operates and maintains the power-generation and transmission facilities, and generally the storage dams and reservoirs, of completed projects. Where necessary, the irrigation works are also operated and maintained until the water users are able to undertake the responsibilities. In 1959 a total of 35 projects and 22 Missouri River Basin units and divisions will be operated and maintained for irrigation, power, and municipal and industrial water supplies. Of these, 19 projects and 5 Missouri River Basin units have power facilities. Energy sales and revenues from power operations are as follows:

	Kilowatt-hours of energy (millions)	*Gross revenues*
Fiscal year:		
1957	25,394	$59,032,711
1958	28,974	71,575,948
1959	30,967	75,697,640

Commercial power is sold to wholesale customers such as municipalities, Rural Electrification Administration-financed cooperatives, private utilities, and other Government agencies.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

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	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,464,432	$3,939,614	$4,134,347	$4,213,432
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,361,398	1,917,997	133,635	158,535
Advances (payments for goods and services on order not yet received)	4,410	----------	----------	----------
Total selected resources at end of year	4,830,240	5,857,611	4,267,982	4,371,967
Selected resources at start of year (−)	----------	−4,830,240	−5,857,611	−4,267,982
Adjustment of selected resources reported at start of year	----------	−30,202	----------	----------
Costs financed from obligations of other years, net (−)	----------	----------	−1,589,629	----------
Obligations incurred for costs of other years, net	----------	997,169	----------	103,985

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		3,857		3,906		3,911
Full-time equivalent of all other positions		106		121		99
Average number of all employees		3,500		3,826		3,844
Number of employees at end of year		3,607		3,872		3,889
Average GS grade and salary		7.0	$5,283	7.2	$5,387	7.3 $5,527
Average salary of ungraded positions			$4,733		$4,931	$5,038
01	Personal services:					
	Permanent positions		$16,897,498		$18,923,453	$19,146,384
	Positions other than permanent		315,086		367,323	320,166
	Other personal services		593,728		659,973	678,015
	Total personal services		17,806,312		19,950,749	20,144,565
02	Travel		423,554		444,644	439,282
03	Transportation of things		126,072		120,537	148,514
04	Communication services		241,960		282,496	309,436
05	Rents and utility services		571,953		607,591	631,768
06	Printing and reproduction		37,138		32,806	33,135
07	Other contractual services		3,434,745		4,369,480	4,692,320
	Services performed by other agencies		209,423		296,228	249,478
08	Supplies and materials		2,887,468		2,663,122	2,508,974
09	Equipment		1,236,826		975,526	831,755
10	Lands and structures		1,245,600		794,850	647,639
11	Grants, subsidies, and contributions		----------		1,216,806	1,137,268
13	Refunds, awards, and indemnities		22,256		19,276	19,880
15	Taxes and assessments		42,366		47,646	45,944
	Subtotal		28,285,673		31,821,757	31,839,958
	Deduct quarters and subsistence charges		533,853		530,589	543,847
	Total obligations		27,751,820		31,291,168	31,296,111

General Administrative Expenses

For necessary expenses of general administration and related functions in the offices of the Commissioner of Reclamation and in the regional offices of the Bureau of Reclamation, $4,164,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U. S. C. 377): *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$4,164,000** Estimated 1959, **$4,164,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental and Denver offices	$2,149,506	$2,327,800	$2,337,800
2. Regional offices	1,695,437	1,833,109	1,826,200
Total program costs	3,844,943	4,160,909	4,164,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	10,722	3,091	----------
Total program (obligations)	3,855,665	4,164,000	4,164,000
Financing:			
Unobligated balance no longer available	86,335	----------	----------
Appropriation (new obligational authority)	3,942,000	4,164,000	4,164,000

This provides for general administrative functions of the Bureau, consisting of determination of policy and direction of the Bureau's programs, and general supervision and review of operations.

1. *Departmental and Denver offices.*—These offices generally direct, coordinate, and review the entire reclamation program.

2. *Regional offices.*—The seven regional offices administer and supervise activities on a region-wide basis as distinguished from project supervision.

Other administrative costs directly chargeable to specific projects or activities are included under appropriations for those programs.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$34,582	$34,579	$30,000	$30,000
Unpaid undelivered goods (appropriation balances obligated for goods and services on order not yet received)	40,024	42,274	49,944	49,944
Advances (payments for goods and services on order not yet received)	5	----------	----------	----------
Total selected resources at end of year	74,611	76,853	79,944	79,944
Selected resources at start of year (−)	----------	−74,611	−76,853	−79,944
Adjustment of selected resources reported at start of year	----------	8,480	----------	----------
Obligations incurred for costs of other years, net	----------	10,722	3,091	----------

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		484		479		470
Full-time equivalent of all other positions		3		2		3
Average number of all employees		469		476		469
Number of employees at end of year		473		479		470
Average GS grade and salary		7.0	$5,283	7.2	$5,387	7.3 $5,527
Average salary of ungraded positions			$4,733		$4,931	$5,038
01	Personal services:					
	Permanent positions		$3,309,013		$3,382,682	$3,390,117
	Positions other than permanent		8,873		8,220	7,700
	Other personal services		8,490		21,157	27,783
	Total personal services		3,326,376		3,412,059	3,425,600
02	Travel		214,984		243,820	231,870
03	Transportation of things		13,190		12,405	12,070
04	Communication services		69,670		71,560	72,710
05	Rents and utility services		4,772		6,150	4,750
06	Printing and reproduction		35,832		36,090	37,060
07	Other contractual services		48,347		52,072	51,030
	Services performed by other agencies		40,470		22,770	23,070
08	Supplies and materials		45,159		46,975	45,375
09	Equipment		51,945		30,920	31,830
11	Grants, subsidies, and contributions		94		223,719	222,755
13	Refunds, awards, and indemnities		4,363		4,860	5,130
15	Taxes and assessments		463		600	750
	Total obligations		3,855,665		4,164,000	4,164,000

Loan Program

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U. S. C. 421a–421d), and August 6, 1956 (43 U. S. C. 422a–422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, $200,000, to remain available until expended: Provided, That the unexpended balance on June 30, 1958, of sums heretofore appropriated for the foregoing purposes under the head "Construction and rehabilitation" shall be merged with this appropriation.

Estimate 1959, [a] **$200,000**

[a] Estimate is for activities previously carried under "Construction and rehabilitation." The amount obligated in 1957 is shown in the schedule as a comparative transfer.

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

Loan Program—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Distribution systems	$30,439	$4,800,000	$9,769,561
2. Administration	57,950	180,000	200,000
Total program costs	88,389	4,980,000	9,969,561
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−4,800,000	−7,502,000
Obligations incurred for costs of other years (unpaid undelivered orders), net	12,302,000		
Total program (obligations)	12,390,389	180,000	2,467,561
Financing:			
Comparative transfers from (−) other accounts	−12,390,389	−180,000	
Unobligated balance transferred from "Construction and rehabilitation" (1959 appropriation act)			−2,267,561
Appropriation (new obligational authority)			200,000

This appropriation from the general fund provides for loans to non-Federal organizations for construction and rehabilitation of distribution systems and small projects as authorized by law. Repayments of these loans will be deposited in the reclamation fund.

1. *Distribution systems.*—Loans are made to irrigation districts for construction of distribution systems on authorized Federal reclamation projects.

2. *Administration.*—Funds are provided for necessary expenses to carry out the loan program.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $12,302,000 and 1958, $7,502,000.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		1	2
Average number of all employees	7	20	21
Number of employees at end of year	5	17	18
Average GS grade and salary	7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions	$4,733	$4,931	$5,038
01 Personal services: Permanent positions	$35,800	$107,100	$112,500
02 Travel	5,000	10,000	15,000
04 Communication services	1,000	5,000	10,000
07 Other contractual services	12,348,589	57,900	2,330,061
Total obligations	12,390,389	180,000	2,467,561

Emergency Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Central Valley project, California		$325,000	
2. Grand Valley project, Colorado		15,000	
3. Huntley project, Montana	$30,067	12,366	
4. Shoshone project, Wyoming	8,541		
5. Missouri River Basin: Bostwick Division, Nebraska-Kansas	2,508	9,970	
6. Funds available for emergencies		279,293	$300,000
Total program costs	41,116	641,629	300,000
7. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−16,781	
Obligations incurred for costs of other years (unpaid undelivered orders), net	16,781		
Total program (obligations)	57,897	624,848	300,000
Financing:			
Unobligated balance brought forward	−$982,146	−$924,848	−$300,000
Recovery of prior year obligations	−599		
Unobligated balance carried forward	924,848	300,000	
Appropriation (new obligational authority)			

This fund is used to assure continuous operation of irrigation and power systems in the event of droughts, canal-bank failures, generator failures, damage to transmission lines, or other emergencies.

Relation of costs to obligations.—The year-end balance of unpaid undelivered orders for 1957 was $16,781.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	0		
Average GS grade and salary	7.0 $5,283	7.2 $5,387	
Average salary of ungraded positions	$4,733	$4,931	
01 Personal services: Permanent positions	$10,605	$2,113	
02 Travel	105		
03 Transportation of things	44		
04 Communication services	101		
05 Rents and utility services	41		
06 Printing and reproduction	210		
07 Other contractual services	6,551	343,442	
08 Supplies and materials	165		
09 Equipment	71		
10 Lands and structures	40,000		
13 Refunds, awards, and indemnities	4		
Funds available for emergencies		279,293	$300,000
Total obligations	57,897	624,848	300,000

Special Funds

Sums herein referred to as being derived from the reclamation fund, the Colorado River dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U. S. C. 391), the Act of December 21, 1928 (43 U. S. C. 617a), and the Act of July 19, 1940 (43 U. S. C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads "Operation and Maintenance" and "General Administrative Expenses" shall revert and be credited to the special fund from which derived. (*Public Works Appropriation Act, 1958.*)

Administrative Provisions

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed one hundred [twenty-seven] *and ten* passenger motor vehicles, *of which one hundred and nine are* for replacement only; purchase of one aircraft [for replacement only]; payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U. S. C. 461–467): *Provided,* That no part of any appropriation made herein shall be

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available pursuant to the Act of April 19, 1945 (43 U. S. C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head "General Investigations".

Allotments to the Missouri River Basin project from the appropriation under the head "Construction and Rehabilitation" shall be available additionally for said project for those functions of the Bureau of Reclamation provided for under the head "General Investigations" (but this authorization shall not preclude use of the appropriation under said head within that area), and for the continuation of investigations by agencies of the Department on a general plan for the development of the Missouri River Basin. Such allotments may be expended through or in cooperation with State and other Federal agencies, and advances to such agencies are hereby authorized.

Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided*, That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665).

No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefit of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, or (c) of any individual, when such district, organization, or individual is in arrears for more than twelve months in the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

Not to exceed $225,000 may be expended from the appropriation "Construction and Rehabilitation" for work by force account on any one project or Missouri Basin unit and then only when such work is unsuitable for contract or no acceptable bid has been received and, other than otherwise provided in this paragraph or as may be necessary to meet local emergencies, not to exceed 12 per centum of the construction allotment for any project from the appropriation "Construction and Rehabilitation" contained in this Act shall be available for construction work by force account. (*Public Works Appropriation Act, 1958.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:

"Construction, general," rivers and harbors and flood control, Department of the Army.

"Construction," Bureau of Indian Affairs.

"Public lands highways (liquidation of contract authorization)," Bureau of Public Roads.

"International educational exchange activities," Department of State.

"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.

Permanent authorizations:

Reclamation Fund, Special fund

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$87,233,915	$98,805,061	$118,700,961
Receipts: Reclamation fund—			
Collections, Bureau of Reclamation	14,558,663	15,387,100	16,360,900
Collections, other agencies	39,605,626	46,198,300	45,215,800
Power revenues	46,552,469	45,529,500	48,889,000
Unobligated balance returned to unappropriated receipts	5,038,417		
Total available for appropriation	192,989,090	205,919,961	229,166,661
Deduct appropriation for Bureau of Reclamation—			
"General investigations"	4,970,000	5,182,000	4,027,000
"Construction and rehabilitation"	63,083,000	55,000,000	85,000,000
"Operation and maintenance"	22,055,700	22,740,000	22,365,100
"General administrative expenses"	3,942,000	4,164,000	4,164,000
"Payments to farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	8,329	8,000	8,000
"Refunds and returns"	125,000	125,000	125,000
Total appropriation	94,184,029	87,219,000	115,689,100
Unappropriated balance carried forward	98,805,061	118,700,961	113,477,561

This fund is derived from repayments and other revenues from irrigation and power facilities, together with certain receipts from sales, leases, and rentals of Federal lands in the 17 Western States, and is available for expenditure pursuant to authorization contained in appropriation acts (43 U. S. C. 391).

Colorado River Dam Fund, All-American Canal

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$79,375	$164,558	$183,258
Receipts	285,183	268,700	303,300
Covered into miscellaneous receipts	−200,000	−250,000	−250,000
Unappropriated balance carried forward	164,558	183,258	236,558

Revenues from water rental, as well as other minor operations of the All-American Canal, are available for appropriation for payment of expenses of operation and maintenance of the project, and for repayment of amounts advanced by the Treasury for construction or other purposes (43 U. S. C. 617a).

Colorado River Dam Fund, Boulder Canyon Project

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$2,180,846	$1,975,225	$1,655,625
Unobligated balance returned to unappropriated receipts	181,651		
Receipts	5,553,564	5,525,000	5,525,000
Total available for appropriation	7,916,061	7,500,225	7,180,625
Deduct appropriation for—			
"Operation and maintenance"	2,115,000	2,044,600	2,015,000
Miscellaneous permanent appropriations:			
"Colorado River dam fund, Boulder Canyon project, payments to States of Arizona and Nevada"	600,000	600,000	600,000
"Colorado River dam fund, Boulder Canyon project, payment of interest on advances from the Treasury"	3,225,836	3,200,000	3,200,000
Unappropriated balance carried forward	1,975,225	1,655,625	1,365,625

Revenues from Boulder Canyon project operations are placed in this fund. The fund is available automatically for repayment of advances from Treasury for construction or other purposes, for interest on the amounts advanced and for annual payments of $300,000 each to Arizona and Nevada. It is available for annual appropriations for payment of expenses of operation and maintenance of the project (43 U. S. C. 617a).

Colorado River Development Fund

Amounts Available for Appropriation

	1957 actual	1958 estimate	1959 estimate
Unappropriated balance brought forward	$10,547	$11,286	$11,786
Receipts	500,739	500,500	500,500
Total available for appropriation	511,286	511,786	512,286
Deduct appropriation for "General investigations"	500,000	500,000	500,000
Unappropriated balance carried forward	11,286	11,786	12,286

This fund is derived from revenues of the Boulder Canyon project, and is available for appropriation for "General investigations," Bureau of Reclamation (43 U. S. C. 618a).

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BUREAU OF RECLAMATION—Continued

Permanent authorizations—Continued

DISPOSAL OF COULEE DAM COMMUNITY

(Indefinite special account)

Appropriated (est.) 1958, **$130,000** Estimate 1959, **$200,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Disposal of Coulee Dam community (total costs—obligations)		$130,000	$200,000
Financing:			
Appropriation (new obligational authority)		130,000	200,000

This fund is derived from the sale of Federal property in the town of Coulee Dam and is available for work in connection with the disposal of the Federal interest in the community and for construction of sewage disposal facilities, including betterment work on the existing open drains (71 Stat. 531).

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services		$110,000	$80,000
08	Supplies and materials		5,000	5,000
10	Lands and structures		15,000	115,000
	Total obligations		130,000	200,000

OTHER BUREAU OF RECLAMATION PERMANENT APPROPRIATIONS

(Indefinite special accounts unless otherwise indicated)

Appropriated (est.) 1958, **$3,937,500** Estimate 1959, **$3,937,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Colorado River dam fund, Boulder Canyon project, payment of interest on advances from the Treasury"	$3,225,836	$3,200,000	$3,200,000
2. "Colorado River dam fund, Boulder Canyon project, payments to States of Arizona and Nevada" (definite special account)	600,000	600,000	600,000
3. "Operation, maintenance, and replacement of project works, North Platte project"	11,397	20,000	30,000
4. "Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	8,329	8,000	8,000
5. "Refunds and returns"	84,743	205,877	125,000
Total program (costs—obligations)	3,930,305	4,033,877	3,963,000
Financing:			
Unobligated balance brought forward	−58,270	−153,685	−57,308
Unobligated balance carried forward	153,685	57,308	31,308
New obligational authority	4,025,720	3,937,500	3,937,000
New obligational authority:			
"Colorado River dam fund, Boulder Canyon project, payment of interest on advances from the Treasury"	$3,225,836	$3,200,000	$3,200,000
"Colorado River dam fund, Boulder Canyon project, payments to States of Arizona and Nevada"	600,000	600,000	600,000
"Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder irrigation districts)"	66,555	4,500	4,000
"Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	8,329	8,000	8,000
"Refunds and returns"	125,000	125,000	125,000
Appropriation	4,025,720	3,937,500	3,937,000

1. *Colorado River dam fund, Boulder Canyon project, payment of interest on advances from the Treasury.*—Interest is paid to the Treasury on moneys advanced for construction (43 U. S. C., ch. 12A).

2. *Colorado River dam fund, Boulder Canyon project, payments to States of Arizona and Nevada.*—Annual payments of $300,000 each in lieu of taxes are made to Arizona and Nevada, from operation of the Boulder Canyon project (43 U. S. C., ch. 12A).

3. *Operation, maintenance, and replacement of project works, North Platte project.*—This fund is derived from operation of project powerplants, leasing of project grazing and farmlands, sale or use of townsites, and sale or rental of surplus water (66 Stat. 755, sec. 4).

4. *Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming).*—Payments are made to the Farmers' irrigation district on behalf of the Northport irrigation district for water carriage (62 Stat. 273, as amended).

5. *Refunds and returns.*—Overcollections are refunded and amounts of unapplied deposits are returned (64 Stat. 689).

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$8,329	$10,000	$12,000
08	Supplies and materials		500	1,000
10	Lands and structures	11,397	17,500	25,000
11	Grants, subsidies, and contributions	600,000	600,000	600,000
13	Refunds, awards, and indemnities	84,743	205,877	125,000
14	Interest	3,225,836	3,200,000	3,200,000
	Total obligations	3,930,305	4,033,877	3,963,000

Public enterprise funds:

CONTINUING FUND FOR EMERGENCY EXPENSES, FORT PECK PROJECT, MONTANA

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Operation and maintenance program:			
(a) Electric generation—hydraulic power	$259,379	$240,000	$295,000
(b) Transmission expense	362,117	347,605	375,000
(c) Accounting and collecting expense	26,794	20,000	6,000
(d) Administrative and general expense	86,233	78,000	79,000
(e) Property losses	2,406	2,406	2,406
(f) Replacement and depreciation	108,058	112,594	62,594
(g) Interest on investment	240,477	250,000	250,000
(h) Adjustment of prior-year expense	−99,341		
Total operation and maintenance costs	986,123	1,050,605	1,070,000
Deduct—			
Property losses not requiring funding	2,406	2,406	2,406
Replacement and depreciation not requiring funding	108,058	112,594	62,594
Interest on investment not requiring funding	240,477	250,000	250,000
Cost of purchase power and wheeling not requiring funding	43,453		50,000
Other items included above not requiring funding	−99,341		
Net operation and maintenance costs, funded	691,070	685,605	705,000
Capital outlay:			
Construction work in progress	16,665	1,030,356	2,027,529
Property transferred in (−) or out without cost	136,051	−140,024	
Total capital outlay, funded	152,716	890,332	2,027,529
Total costs, funded	843,786	1,575,937	2,737,529

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Relation of costs to obligations:			
Costs financed by obligations of other years (−)	−$76,846	−$96,357	
Obligations incurred for costs of other years, net			$7,471
Total program (obligations)	766,940	1,479,580	2,740,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Advanced from "Construction and rehabilitation"	31,000	702,580	2,000,000
Sale of electric energy	1,754,084	1,961,000	2,040,000
Total amounts becoming available	1,785,084	2,663,580	4,040,000
Unobligated balance brought forward	640,966	802,807	650,000
Total amounts available	2,426,050	3,466,387	4,690,000
Capital transfer (payment of profits to Treasury) (−)	−856,303	−1,336,807	−1,300,000
Unobligated balance carried forward	−802,807	−650,000	−650,000
Financing applied to program	766,940	1,479,580	2,740,000

This fund defrays the operating expenses of the generation and transmission of power from Fort Peck project, Corps of Engineers, and emergency expenses to insure continuous operation (16 U. S. C. 833).

Budget program.—Operating costs will continue at the level of the current year. The increase in capital outlay is related to continued construction of the Fort Peck-Dawson County 230-kilovolt transmission line.

Financing.—The operation of the Fort Peck project power and transmission facilities are financed by this fund and capital outlays for transmission by the appropriation "Construction and rehabilitation," Bureau of Reclamation. Capital outlays for the dam, reservoir, and powerplant are financed by Corps of Engineers appropriations. The accompanying statements consolidate the financing from the "Continuing fund for emergency expenses, Fort Peck project, Montana" and "Construction and rehabilitation," Bureau of Reclamation.

Operating results.—Net income is estimated at $1 million for 1959, an increase over prior years, resulting from increased power revenues. Receipts in excess of current operating needs are retained so as to maintain a continuing emergency fund of $0.5 million. The balance is paid into the Treasury as miscellaneous receipts toward amortizing with interest the costs of the dam and reservoir allocated to power and the costs of the powerplant and transmission. Such payments totaled $0.9 million in 1957 and are estimated at $1.3 million in 1958 and $1.3 million in 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Supplies and deferred charges	$196,054	$250,835	$161,438	$168,909
Unpaid undelivered orders	126,757	6,960		
Prepayments	11,830			
Total selected resources at end of year	334,641	257,795	161,438	168,909
Selected resources at start of year (−)		−334,641	−257,795	−161,438
Costs financed from obligations of other years, net (−)		−76,846	−96,357	
Obligations incurred for costs of other years, net				7,471

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Construction work in progress	$152,716	$890,332	$2,027,529
Expenses	691,070	685,605	705,000
Increase in selected working capital	159,854		7,471
Total gross expenditures	1,003,640	1,575,937	2,740,000

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Advanced from "Construction and rehabilitation"	$31,000	$702,580	$2,000,000
Revenue: Sale of electric energy	1,754,084	1,961,000	2,040,000
Decrease in selected working capital		243,325	
Total receipts from operations	1,785,084	2,906,905	4,040,000
Budget expenditures	−781,444	−1,330,968	−1,300,000

Revenue, Expense, and Deficit (−)

Revenue:			
Interchange of power (nonfunded)	$80,162		
Other	1,754,084	$1,961,000	$2,040,000
Total revenue	1,834,246	1,961,000	2,040,000
Expense	986,123	1,050,605	1,070,000
Net income	848,123	910,395	970,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−703,397	−711,722	−1,138,134
Payment of profits to Treasury (−)	−856,303	−1,336,807	−1,300,000
Deposits to receipts, reclamation fund, special fund (−)	−145		
Deficit (−), end of year	−711,722	−1,138,134	−1,468,134

Financial Condition

Assets:			
Cash	$505,839	$500,000	$500,000
Accounts receivable	485,781	400,000	700,000
Supplies and deferred charges	250,835	161,438	168,909
Fixed assets (net)	11,712,795	12,348,103	14,260,632
Total assets	12,955,250	13,409,541	15,629,541
Liabilities:			
Current	181,853	250,000	550,000
Government investment:			
Interest-bearing capital:			
Start of year	13,258,884	13,485,119	14,297,675
Advanced from "Construction and rehabilitation"	31,000	702,580	2,000,000
Donated assets, net	−14,763	−140,024	
Interest on investment (capitalized)	209,971	250,000	250,000
Contributions	27		
End of year	13,485,119	14,297,675	16,547,675
Deficit (−)	−711,722	−1,138,134	−1,468,134
Total Government investment	12,773,397	13,159,541	15,079,541

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$580,698	$505,839	$500,000	$500,000
Obligated balance, net:				
Current liabilities	225,194	181,853	250,000	550,000
Unpaid undelivered orders	126,757	6,960		
Accounts receivable, net (−)	−412,219	−485,781	−400,000	−700,000
Total obligated balance	−60,268	−296,968	−150,000	−150,000
Unobligated balance	640,966	802,807	650,000	650,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		49	49	49
Average number of all employees		47	49	49
Number of employees at end of year		48	49	49
Average GS grade and salary		7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions		$4,733	$4,931	$5,038
01	Personal services:			
	Permanent positions	$239,774	$257,416	$262,924
	Other personal services	6,066	4,787	4,986
	Total personal services	245,840	262,203	267,910
02	Travel	17,346	16,300	16,280
03	Transportation of things	3,139	3,100	3,060
04	Communication services	3,726	3,200	3,120
05	Rents and utility services	2,772	3,050	3,060
06	Printing and reproduction	301	130	130

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BUREAU OF RECLAMATION—Continued

Public enterprise funds—Continued

CONTINUING FUND FOR EMERGENCY EXPENSES, FORT PECK PROJECT, MONTANA—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services	$113,271	$94,186	$102,648
	Services performed by other agencies	271,546	298,000	245,000
	Services included in other accounts: Construction and rehabilitation	145,496	707,935	2,000,000
08	Supplies and materials	67,954	67,276	67,167
09	Equipment	17,336	17,000	17,040
10	Land and structures	1,435	1,500	1,500
11	Grants, subsidies, and contributions		16,160	16,635
13	Refunds, awards, and indemnities	164	200	150
15	Taxes and assessments	291	300	300
	Subtotal	890,617	1,490,540	2,744,000
	Deduct quarters and subsistence charges	3,881	4,000	4,000
	Total accrued expenditures	886,736	1,486,540	2,740,000
	Decrease (−) in undelivered orders	−119,796	−6,960	
	Total obligations	766,940	1,479,580	2,740,000

UPPER COLORADO RIVER BASIN FUND

For payment to the "Upper Colorado River Basin fund", authorized by section 5 of the Act of April 11, 1956 (Public Law 485), [$25,142,000] *$38,425,000*; to remain available until expended. (*Public Works Appropriation Act, 1958.*)

Appropriated 1958, **$25,142,000** Estimate 1959, **$38,425,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Capital outlay:			
Colorado River storage project:			
(*a*) Flaming Gorge unit, Utah	$932,264	$2,774,619	$1,914,637
(*b*) Glen Canyon unit, Arizona	7,196,535	15,408,278	30,746,704
(*c*) Navajo unit, New Mexico	265,912	505,680	
(*d*) Transmission division	163,338	109,606	205,000
(*e*) Advance planning	1,119,381	1,453,437	776,287
Total program costs [1]	9,677,430	20,251,620	33,642,628
Interest on investment not requiring funding	−75,273	−436,192	−1,104,615
Property transferred in (−) without charge	−1,317,787	−10,000	
Capital outlay costs, funded	8,284,370	19,805,428	32,538,013
Relation of costs to obligations: Obligations incurred for costs of other years, net	4,291,848	6,555,376	7,386,987
Total program (obligations)	12,576,218	26,360,804	39,925,000
Financing:			
Amounts becoming available:			
Appropriation	13,000,000	25,142,000	38,425,000
Contributions	1,443,772	851,250	
Unobligated balance brought forward		1,867,554	1,500,000
Total amounts available	14,443,772	27,860,804	39,925,000
Unobligated balance carried forward	−1,867,554	−1,500,000	
Financing applied to program	12,576,218	26,360,804	39,925,000

[1] Includes contributions from city, State, and Federal governmental units as follows: 1957 actual, $553,580; 1958 estimate, $1,741,442.

The fund defrays the cost of construction, operation, and maintenance of the Colorado River storage project and participating projects, a comprehensive basinwide development which will make possible the control and utilization of the water resources of the Upper Colorado River Basin. The storage project will regulate and conserve the flows of the Colorado River and its major tributaries through holdover storage in large reservoirs, thus making possible increased consumptive use in the upper basin, and will also produce hydroelectric power. Excess revenues from the sale of power will be applied to repayment of costs allocated to irrigation which are beyond the ability of the water users to repay. The participating projects consist of irrigation and municipal and industrial water supply developments.

Construction costs of the storage project and participating projects are, by law, financed through appropriations advanced to the fund. Project revenues will be credited to the fund and will cover costs of operation and maintenance. Revenues in excess of these costs will be utilized to repay to the United States project costs allocated to power, municipal and industrial water supply and irrigation.

Budget program—Flaming Gorge unit.—Construction of the unit will be continued and is estimated to be 15% complete at the end of 1959.

Glen Canyon unit.—The Colorado River bridge and the diversion tunnels will be substantially completed. Excavation for the spillway tunnels, dam, powerplant, and switchyard control tunnel will be initiated.

Navajo unit.—No work is scheduled to be underway and unobligated balances will be transferred to the Flaming Gorge unit.

Transmission division.—Investigations on the Glen Canyon-Flaming Gorge transmission line, and studies of other lines will be continued.

Advance planning.—Detailed studies of 1 storage unit and 11 participating projects will be continued.

Proposed 1958 supplemental.—An amount of $10 million for the Glen Canyon unit is proposed for later transmission and appears below.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Selected resources at end of year:			
Service facilities	$1,205,420	$10,750,201	$15,555,744
Supplies, deferred charges, etc	48,346	177,003	271,447
Unpaid undelivered orders	3,228,385	110,323	2,597,323
Total selected resources at end of year	4,482,151	11,037,527	18,424,514
Selected resources at start of year (−)		−4,482,151	−11,037,527
Increase or decrease (−) in selected resources	4,482,151	6,555,376	7,386,987
Property or services transferred in (−) without charge	−190,303		
Obligations incurred for costs of other years, net	4,291,848	6,555,376	7,386,987

Financing.—The cost of the authorized storage units and participating projects is estimated to be $985 million of which $38.1 million has been appropriated. The 1959 appropriation request of $38.4 million and a proposed supplemental request for 1958 of $10 million will leave a balance to complete the authorized work of $898.5 million.

Operating results.—During the construction period, no income is realized and expense is capitalized, so the fund will show neither income nor expense for 1959.

Net effect of budget expenditures will rise to $37 million in 1959 from $25 million in 1958.

The total investment of the Government in the fund is expected to reach $82 million by the end of 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Construction work in progress	$8,284,370	$19,805,428	$35,038,013
Increase in selected working capital	1,289,190	6,045,822	1,961,987
Total gross expenditures	9,573,560	25,851,250	37,000,000
Receipts from operations (funds provided):			
Contributions	−1,443,772	−851,250	
Budget expenditures	8,129,788	25,000,000	37,000,000

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Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue			
Expense:			
Interest, Treasury	$75,273	$436,192	$1,104,615
Less interest charged to construction	75,273	436,192	1,104,615
Net income for the year			

Financial Condition

Assets:			
Cash	$4,870,212	$5,012,212	$6,437,212
Accounts receivable	1,273,628	1,013,873	3,865,042
Service facilities	1,205,420	10,750,201	15,555,744
Supplies, deferred charges, etc	48,346	177,003	271,447
Fixed assets (net)	9,677,430	29,929,050	63,571,678
Total assets	17,075,036	46,882,339	89,701,123
Liabilities:			
Current	1,047,901	4,415,762	7,704,931
Government investment:			
Interest-bearing investment:			
Start of year		14,583,363	40,171,555
Appropriation	13,000,000	25,142,000	38,425,000
Donated assets, net	1,508,090	10,000	
Interest on investment (capitalized)	75,273	436,192	1,104,615
End of year	14,583,363	40,171,555	79,701,170
Non-interest-bearing investment:			
Start of year		1,443,772	2,295,022
Contributions	1,443,772	851,250	
End of year	1,443,772	2,295,022	2,295,022
Total Government investment	16,027,135	42,466,577	81,996,192

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash		$4,870,212	$5,012,212	$6,437,212
Obligated balance, net:				
Current liabilities		1,047,901	4,415,762	7,704,931
Unpaid undelivered orders		3,228,385	110,323	2,597,323
Accounts receivable, net (−)		−1,273,628	−1,013,873	−3,865,042
Total obligated balance		3,002,658	3,512,212	6,437,212
Unobligated balance		1,867,554	1,500,000	

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	915	1,121	1,170
Full-time equivalent of all other positions	41	22	11
Average number of all employees	628	902	1,033
Number of employees at end of year	814	1,000	1,012
Average GS grade and salary	7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions	$4,733	$4,931	$5,038
01 Personal services:			
Permanent positions	$3,272,501	$4,900,632	$5,595,382
Positions other than permanent	179,025	84,735	42,399
Other personal services	86,308	102,195	113,000
Total personal services	3,537,834	5,087,562	5,750,781
02 Travel	214,003	397,204	213,146
03 Transportation of things	117,248	316,897	381,764
04 Communication services	45,603	135,654	93,562
05 Rents and utility services	88,067	136,200	148,794
06 Printing and reproduction	53,556	70,351	82,850
07 Other contractual services	68,150	220,656	575,888
Services performed by other agencies	65,477	122,550	120,000
Services included in other accounts:			
Reclamation trust funds	360,022	1,335,000	
Public lands, highways, liquidation of contract authorization, Bureau of Public Roads	193,573	406,427	
08 Supplies and materials	360,095	528,675	502,479
09 Equipment	765,203	657,970	447,784
10 Lands and structures	3,498,256	19,777,791	31,325,200
11 Grants, subsidies, and contributions		331,307	361,702
13 Refunds, awards, and indemnities	233	1,696	1,506
15 Taxes and assessments	5,550	6,926	4,544
Subtotal	9,372,870	29,532,866	40,010,000
Deduct quarters and subsistence charges	25,037	54,000	72,000
Total accrued expenditures	9,347,833	29,478,866	39,938,000
Increase or decrease (−) in undelivered orders	3,228,385	−3,118,062	−13,000
Total obligations	12,576,218	26,360,804	39,925,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General investigations	$5,396	$3,400	$1,400
2. Construction and rehabilitation	267,813	163,770	112,000
3. Operation and maintenance	106,806	99,065	37,000
4. General administrative expenses	33,711	34,920	35,915
5. Interagency committee on water resources	4,197	850	
Total obligations	417,923	302,005	186,315
Financing:			
Unobligated balance brought forward	1,697	850	
Advances and reimbursements from—			
Other accounts	302,020	191,705	161,515
Non-Federal sources (40 U. S. C. 481 (c))	115,056	109,450	24,800
Unobligated balance carried forward	−850		
Total financing	417,923	302,005	186,315

Object Classification

Average number of all employees	19	16	9
Number of employees at end of year	14	14	9
Average GS grade and salary	7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions	$4,733	$4,931	$5,038
01 Personal services:			
Permanent positions	$143,898	$122,546	$70,584
Other personal services	2,546	2,310	212
Total personal services	146,444	124,856	70,796
02 Travel	19,057	15,770	6,800
03 Transportation of things	37	598	123
04 Communication services	949	855	1,125
05 Rents and utility services	4,089	7	7
06 Printing and reproduction	1,080	953	800
07 Other contractual services	131,730	28,754	20,200
Services performed by other agencies	6,581	19,307	14,934
08 Supplies and material	54,518	42,230	26,630
09 Equipment	48,845	62,450	20,800
10 Lands and structures	4,590		20,000
11 Grants, subsidies, and contributions		6,221	4,095
15 Taxes and assessments	3	4	5
Total obligations	417,923	302,005	186,315

Proposed for later transmission:

UPPER COLORADO RIVER BASIN FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Acquisition of assets: Colorado River storage project: Glen Canyon unit, Arizona (total costs—obligations)		$10,000,000	
Financing:			
Proposed supplemental appropriation		10,000,000	

Under existing legislation, 1958.—An amount of $10 million is anticipated as an estimated 1958 supplemental appropriation for additional contract earnings and other expenditures on Glen Canyon unit.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title available for travel expenses shall be available for expenses of attendance of officers and employees at meetings or conventions of members of societies or associations concerned with the work of the bureau or office for which the appropriation concerned is made.

SEC. 202. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement or repair of buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided,* That no funds shall be made available

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BUREAU OF RECLAMATION—Continued

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR—Continued

under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 203. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

SEC. 204. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U. S. C. 686): *Provided,* That reimbursements for cost of supplies, materials and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

[SEC. 205. After August 31, 1957, the position of Administrator of the Southeastern Power Administration shall be in grade GS–18 of the Classification Act of 1949, as amended, but without regard to the numerical limitation contained in section 505 of said Act; the salary of the Administrator of the Southwestern Power Administration shall be the same as the salary of the Administrator of the Bonneville Power Administration, so long as held by the present incumbent; and the salary of the Administrative Assistant Secretary of the Department of the Interior shall be the same as the Solicitor of the Department of the Interior.] (*Public Works Appropriation Act, 1958.*)

GEOLOGICAL SURVEY

Current authorizations:

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, and the mineral and water resources of the United States, its Territories and possessions; classify lands as to mineral character and water and power resources; give engineering supervision to power permits and Federal Power Commission licenses; enforce departmental regulations applicable to oil, gas, and other mining leases, permits, licenses, and operating contracts; *and* publish and disseminate data relative to the foregoing activities; [and for the Geological Survey or the General Services Administration to acquire a site and to prepare plans and specifications for a building or buildings to meet the special needs of the Geological Survey in the metropolitan area of Washington, District of Columbia, without regard to Revised Statutes, page 3709, as amended (41 U. S. C. 5), and section 302 (c) of the Act of June 30, 1949, as amended (41 U. S. C. 252 (c)); $36,000,000] *$36,750,000,* of which [$5,800,000] *$6,035,000* shall be available only for cooperation with States or municipalities for water resources investigations: *Provided,* That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality[: *Provided further,* That not to exceed $415,000 of the unobligated balance remaining on June 30, 1957, of the appropriation granted under this head in the Department of the Interior and Related Agencies Appropriation Act, 1957, shall remain available during the current fiscal year for construction of special-purpose buildings]. (*43 U. S. C. 31; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$36,000,000** Estimate 1959, [a] **$36,750,000**

[a] Includes $1,780,000 for activities previously carried under "Operating expenses," Atomic Energy Commission. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Topographic surveys and mapping	$12,872,859	$13,659,000	$13,552,000
2. Geologic and mineral resource surveys and mapping	10,766,667	10,414,000	9,500,000
3. Water resources investigations	8,511,012	9,823,000	10,270,000
4. Soil and moisture conservation	129,466	160,000	160,000
5. Conservation of lands and minerals	1,940,459	2,114,000	2,114,000
6. General administration	1,107,800	1,259,000	1,154,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Direct obligations—Continued			
Special-purpose buildings		$1,355,000	$75,000
Total direct obligations	$35,328,263	38,784,000	36,825,000
Reimbursable obligations:			
1. Topographic surveys and mapping:			
(a) States, counties, and municipalities	1,545,078	1,575,000	1,600,000
(b) Miscellaneous non-Federal sources	183,252	165,000	165,000
(c) Bureau of Reclamation	1,071,425	1,142,110	1,095,000
(d) Department of the Air Force	658,496	502,481	
(e) Department of the Army	539,623	220,000	220,000
(f) Miscellaneous Federal agencies	187,906	91,966	92,000
2. Geologic and mineral resource surveys and mapping:			
(a) States, counties, and municipalities	311,445	325,000	358,000
(b) Miscellaneous non-Federal sources	18,098	11,000	11,000
(c) Defense Minerals Exploration Administration	468,558	487,000	300,000
(d) Department of the Army	1,095,647	1,194,000	1,200,000
(e) Department of the Navy	334,220	87,592	24,000
(f) Atomic Energy Commission	747,607	1,058,550	750,000
(g) Government Printing Office	108,400	102,000	102,000
(h) International Cooperation Administration	774,267	800,000	825,000
(i) Miscellaneous Federal agencies	228,978	191,345	130,000
3. Water resources investigations:			
(a) States, counties, and municipalities	4,169,631	4,840,000	5,055,000
(b) Permittees and licensees of the Federal Power Commission	153,927	180,000	190,000
(c) Miscellaneous non-Federal sources	41,073	45,000	70,000
(d) Bureau of Reclamation	1,112,406	1,084,563	1,009,000
(e) Department of the Army	1,350,410	1,488,262	1,450,000
(f) Department of Agriculture	337,673	366,755	278,900
(g) Department of State	104,787	135,197	110,700
(h) Atomic Energy Commission	348,529	315,880	300,000
(i) International Cooperation Administration	435,377	307,100	325,000
(j) Miscellaneous Federal agencies	402,355	399,817	364,300
5. Conservation of lands and minerals:			
(a) Miscellaneous non-Federal sources	1,449	2,000	2,000
(b) Miscellaneous Federal agencies	44,944	43,100	43,100
Total reimbursable obligations	16,775,561	17,160,718	16,070,000
Total obligations	52,103,824	55,944,718	52,895,000
Financing:			
Comparative transfers from (—) other accounts	—4,148,153	—2,799,000	
Unobligated balance brought forward	—475,000	—475,000	—475,000
Advances and reimbursements from—			
Other accounts	—10,351,608	—10,017,718	—8,619,000
Non-Federal sources	—6,423,953	—7,143,000	—7,451,000
Unobligated balance carried forward	475,000	475,000	400,000
Unobligated balance no longer available	421,890	430,000	
New obligational authority	31,602,000	36,415,000	36,750,000
New obligational authority:			
Appropriation	$31,602,000	$36,000,000	$36,750,000
Reappropriation		415,000	

The Geological Survey provides basic scientific data concerning the water, land, and mineral resources of the Nation, and supervises the development and production of minerals and mineral fuels on leased Federal and Indian lands.

1. *Topographic surveys and mapping.*—Topographic maps portray the elevation, shape, and position of the natural and manmade features of the earth's surface; they provide engineering information for (*a*) mineral, water, and other natural resource investigations, (*b*) engineering and industrial development, and (*c*) military and civil defense. This program will provide maps for those areas where investigation, development, and construction are most imminent, and those areas to which the Department of Defense has assigned a high priority. In 1959 standard maps for an estimated 120,000 square miles

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of the United States and its Territories will be compiled, compared with 115,000 in 1958, 121,000 in 1957, and 121,000 in 1956.

2. *Geologic and mineral resource surveys and mapping.*—These investigations (*a*) provide an accurate appraisal of the Nation's mineral resources, (*b*) provide data needed to classify the public lands and to explore for mineral raw material, and (*c*) develop new concepts and techniques needed in the search for hidden deposits of useful minerals. Geologic mapping and research in geologic processes, in geochemistry and in geophysics, are planned under the long-range minerals program. The work includes the collection and evaluation of data on geologic conditions for use in engineering construction and water development projects; and the preparation of large-scale geologic maps of the United States, its Territories, and possessions. Geologic mapping is now progressing at the rate of approximately 40,000 square miles annually.

3. *Water resources investigations.*—This program includes determinations of the flow, stage, and sediment discharge of rivers; reservoir contents; locations and safe yields of underground waters; the chemical quality and temperature of waters; and the availability of water supplies as related to present and future demands. These data are used to plan water-supply projects for military, industrial, and domestic purposes, as well as irrigation, hydroelectric power, navigation, flood control, highway and bridge design, and land-use projects. In 1959 special studies will be emphasized to develop a more thorough understanding of the principles and physical processes of water's occurrence and movement as recommended by the President's Advisory Committee on Water Resources Policy. Owing to the increase in State offerings and interest in cooperative water resources investigations, there will be some expansion in this phase of the program.

4. *Soil and moisture conservation.*—Basic data and advice concerning hydrologic and geologic problems are provided to other bureaus. The program includes surveys of rates of erosion, effects of soil and moisture treatment measures, and studies for improving the design of remedial measures.

5. *Conservation of lands and minerals.*—Prospecting, development, and production of minerals and mineral fuels on leased Federal, Indian, and outer Continental Shelf lands are regulated. Federally owned and controlled lands are classified as to their mineral and water power values. In the current year approximately 160,000 leased properties, oil wells, and mines in 40 States and Alaska are supervised. These leases are expected to produce oil, gas, and other minerals, valued at $800 million, and render royalty returns of about $88 million. The States which produce the minerals receive 37½% of the royalties; the Reclamation fund, 52½%, and 10% is retained in the U. S. Treasury. In 1959 it is anticipated that the workload will aggregate 170,000 leases, wells, and mines, and the production and royalty values will reach $875 million and $96 million, respectively. The classification functions provide the foundation for the system of public-land administration prescribed by mineral leasing and land disposal laws. Owing to the unprecedented rate of development of the Nation's oil and gas resources, increased demands are being made upon the Survey for mineral classification services.

Reimbursable obligations.—Reimbursements from non-Federal sources are from States and municipalities for making cooperative topographic and geologic surveys and water resources investigations (43 U. S. C. 48), proceeds from sale to the public of copies of photographs and records (43 U. S. C. 45), proceeds from sale of personal property (40 U. S. C. 481 (c)), and reimbursements from permittees and licensees of the Federal Power Commission (16 U. S. C. 797). Reimbursements from other Federal agencies (31 U. S. C. 686) are for special purpose mapping and investigations performed at the request of the financing agency, much of which contributes to the basic objectives of the Geological Survey.

The unobligated balance carried forward each year includes $400,000 cash advance to pay the expenses of reimbursable work pending collection from cooperating agencies. This advance is not available for obligation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6,942	6,800	6,525
Full-time equivalent of all other positions	620	658	658
Average number of all employees	7,163	7,248	6,915
Number of employees at end of year	7,606	7,850	7,550
Average GS grade and salary	7.5 $5,381	7.6 $5,504	7.6 $5,575
Personal service obligations:			
Permanent positions	$35,294,751	$36,400,000	$35,000,000
Positions other than permanent	2,176,245	2,300,000	2,300,000
Other personal services	507,972	400,000	400,000
Total personal service obligations	37,978,968	39,100,000	37,700,000
GEOLOGICAL SURVEY			
Direct obligations:			
01 Personal services	25,759,093	26,881,000	26,250,000
02 Travel	1,990,386	1,997,000	1,900,000
03 Transportation of things	223,783	227,000	230,000
04 Communication services	332,875	340,000	330,000
05 Rents and utility services	413,065	518,000	550,000
06 Printing and reproduction	614,350	660,000	620,000
07 Other contractual services	1,721,987	1,430,000	1,400,000
Services performed by other agencies	244,601	287,000	375,000
08 Supplies and materials	2,047,618	2,061,000	2,052,000
09 Equipment	1,857,627	1,373,000	1,500,000
11 Grants, subsidies, and contributions		1,615,000	1,580,000
13 Refunds, awards, and indemnities	16,820	20,000	20,000
15 Taxes and assessments	37,538	37,000	35,000
Subtotal	35,259,743	37,446,000	36,842,000
Deduct quarters and subsistence charges	16,514	17,000	17,000
Total direct obligations	35,243,229	37,429,000	36,825,000
Reimbursable obligations:			
01 Personal services	12,219,875	12,219,000	11,450,000
02 Travel	1,042,404	1,013,000	950,000
03 Transportation of things	165,496	163,000	140,000
04 Communication services	143,376	145,000	140,000
05 Rents and utility services	225,761	282,000	235,000
06 Printing and reproduction	103,560	135,000	120,000
07 Other contractual services	881,376	700,000	700,000
Services performed by other agencies	138,621	168,000	185,000
08 Supplies and materials	1,066,781	1,038,718	900,000
09 Equipment	652,885	467,000	480,000
11 Grants, subsidies, and contributions	118,270	805,000	745,000
13 Refunds, awards, and indemnities	5,767	10,000	10,000
15 Taxes and assessments	13,689	18,000	18,000
Subtotal	16,777,861	17,163,718	16,073,000
Deduct quarters and subsistence charges	2,300	3,000	3,000
Total reimbursable obligations	16,775,561	17,160,718	16,070,000
Total, Geological Survey	52,018,790	54,589,718	52,895,000
ALLOCATION ACCOUNTS			
01 Personal services:			
Permanent positions	157	----------	----------
Other personal services	24	----------	----------
Total personal services	181	----------	----------
03 Transportation of things	3	----------	----------
04 Communication services	8	----------	----------
05 Rents and utility services	2	----------	----------
06 Printing and reproduction	----------	3,000	----------
07 Other contractual services	84,494	77,000	----------
08 Supplies and materials	332	----------	----------
09 Equipment	14	----------	----------
10 Lands and structures	----------	1,275,000	----------
Total, allocation accounts	85,034	1,355,000	----------
Total obligations	52,103,824	55,944,718	52,895,000
Obligations are distributed as follows:			
Geological Survey	$52,018,790	$54,589,718	$52,895,000
National Park Service	85,034	----------	----------
General Services Administration	----------	1,355,000	----------

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GEOLOGICAL SURVEY—Continued

Current authorizations—Continued

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed one hundred and [twenty-five] *twelve* passenger motor vehicles *of which ninety-two are* for replacement only; reimbursement of the General Services Administration for security guard service for protection of confidential files; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gaging stations; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts[, including not to exceed $10,000 for the person appointed by the President to participate as the representative of the United States in the administration of the compact consented to by the Act of May 31, 1949 (63 Stat. 145)]. *(Department of the Interior and Related Agencies Appropriation Act, 1958.)*

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Construction," Bureau of Indian Affairs.
"Resources management," Bureau of Indian Affairs.
"General investigations," Bureau of Reclamation.
"Construction and rehabilitation," Bureau of Reclamation.
"Revolving fund, Defense Production Act," funds appropriated to the President.
"Watershed protection," Soil Conservation Service, Agriculture.
"Military construction," Air Force.
"Research and development," Air Force.
"Construction of Indian health facilities," Public Health Service, Health, Education, and Welfare.
"Research and development," Navy.
"Military construction," Navy.
"American sections, International Commission."
"United States dollars, advanced from foreign governments, United States educational exchange program," Department of State.
"Operating expenses," Atomic Energy Commission.

Permanent authorizations:

PAYMENT FROM PROCEEDS, SALE OF WATER, MINERAL LEASING ACT OF 1920, SEC. 40 (d)

(Indefinite special account)

Appropriated (estimate) 1958, **$600** Estimate 1959, **$600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$9,815	−$10,495	−$11,095
Unobligated balance carried forward	10,495	11,095	11,695
Appropriation (new obligational authority)	680	600	600

When prospectors drilling for oil and gas on public lands strike water, water wells are developed by the Department from proceeds from the sale of water from existing wells (30 U. S. C. 221–229). No obligations are anticipated in 1959.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Topographic surveys and mapping:			
Department of the Air Force	$658,496	$500,000	
Department of the Army	45,000		
Federal Civil Defense Administration	41,055		
2. Geologic and mineral resource surveys and mapping:			
Bureau of Mines	$37,275	$37,500	
Department of the Army	1,095,647	1,194,000	$1,200,000
Department of the Navy	308,043	55,200	
Atomic Energy Commission	4,895,760	3,857,550	750,000
General Services Administration	30,000		
3. Water resources investigations:			
Bureau of Mines	34,490	37,500	37,500
Bureau of Land Management	8,959	6,000	6,000
Bureau of Reclamation	193,734	121,032	269,000
Tennessee Valley Authority	87,576	99,074	95,000
Department of Agriculture	75,058	75,000	
Department of the Air Force	6,530	7,470	6,000
Department of the Army	1,240,959	1,388,262	1,350,000
Department of the Navy	6,506		
Atomic Energy Commission	252,717	239,980	225,000
5. Conservation of lands and minerals:			
Department of the Navy	38,841	41,000	41,000
Total obligations	9,056,646	7,659,568	3,979,500
Financing:			
Unobligated balance brought forward	58,652	28,641	
Advances and reimbursements from other accounts	9,103,029	7,630,927	3,979,500
Unobligated balance carried forward	−28,641		
Unobligated balance no longer available	−76,394		
Total financing	9,056,646	7,659,568	3,979,500

Object Classification

07 Other contractual services	$9,056,646	$7,659,568	$3,979,500

BUREAU OF MINES

Current authorizations:

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES

For expenses necessary for promoting the conservation, exploration, development, production, and utilization of mineral resources, including fuels, in the United States, its Territories and possessions; and developing synthetics and substitutes; [$18,835,000] *$18,339,000. (30 U. S. C. 1–11; 50 U. S. C. 161–166; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$18,835,000** Estimate 1959, **$18,339,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Bituminous coal	$5,095,270	$5,713,000	$5,704,000
2. Anthracite coal	558,878	881,000	878,000
3. Petroleum, natural gas, and oil shale	1,827,492	2,387,000	2,399,000
4. Ferrous metals	2,734,544	3,058,000	3,073,000
5. Nonferrous metals	3,776,466	4,140,000	4,160,000
6. Nonmetallic minerals	1,548,843	1,852,000	1,810,000
7. Foreign mineral activities	217,782	308,000	315,000
Total program costs	15,759,275	18,339,000	18,339,000
8. Relation of costs to obligations: Obligations incurred for costs of other years, net	79,109		
Total program (obligations)	15,838,384	18,339,000	18,339,000
Financing:			
Comparative transfers from (−) other accounts	−99,206		
Unobligated balance no longer available	123,572	496,000	
Appropriation (new obligational authority)	15,862,750	18,835,000	18,339,000

Provision is made for conserving, evaluating, and developing mineral resources.

1. *Bituminous coal.*—Scientific research and engineering investigations are carried out on the chemical and physical properties of coal and its mining, preparation, combustion, carbonization, and gasification. Laboratory research is conducted to find feasible methods for converting coal to

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fluid fuels for better utilization in the Nation's machines. Coal samples are analyzed; efficiency of coal-mining methods is evaluated; and economic statistical studies are performed. Research is conducted to discover causes of explosions in coal mines and to improve methods of preventing explosions. Tests are conducted on explosives and blasting devices to determine their permissibility for use in mining operations.

2. *Anthracite coal.*—Research is conducted to develop new and improve present uses for anthracite; improved mining and preparation methods are developed; and basic economic data are prepared on the suitability of anthracite for metallurgical application, on the performance of crushers, and on the operation of a coal planer. Inspection is conducted under the Mine Drainage Act.

3. *Petroleum, natural gas, and oil shale.*—Research is conducted in laboratories and in oil and gas fields to conserve these resources by improving the processes of recovery and utilization. Research is coordinated with work done by other Government agencies, educational institutions, and industry. Economic and statistical information is analyzed to provide a factual basis for industry operations and governmental policy. Technologic research is carried on in resources, production, storage, and utilization of helium. Research is conducted on oil shale and shale oil to determine the composition of the various products, to test the applicability of those products to different uses, and to determine the basic chemistry and physics of the refining processes.

4. *Ferrous metals.*—This includes: (*a*) research on use of low-grade ores, conservation of raw materials, and improved methods for steelmaking; (*b*) investigation of manganese occurrences and use of low-grade manganiferous materials; (*c*) investigation of domestic chromite deposits; (*d*) studies to lower production costs of off-grade ores; (*e*) research on use of alloying metals to produce iron and steel products and high-temperature alloys; and (*f*) the dissemination of data on the production and distribution of these metals.

5. *Nonferrous metals.*—This includes: (*a*) investigations and development of new sources of copper, lead, and zinc, recovery of tin and mercury from low-grade ore, and new uses for arsenic; (*b*) research in metallurgy to develop economic and efficient methods for processing complex low-grade and currently submarginal materials; (*c*) research on resources and utilization of light metals; (*d*) development of basic information on properties and uses of ores and metals for realization of potential military and civilian uses and to increase recovery and utilization of scrap; (*e*) development of information on domestic reserves of rare and precious metals and materials; (*f*) research to improve the quality of rare metals and related products; (*g*) research to develop economic processes for the recovery of various rare and precious metals; and (*h*) economic and statistical studies on nonferrous metals.

6. *Nonmetallic minerals.*—The Bureau's program on nonmetallic minerals is primarily designed to develop adequate supplies of various minerals that are in short supply, or of minerals, supplies of which must be imported and are therefore vulnerable in emergencies. These problems of nonmetallic mineral supply are attacked by: (*a*) field investigations of mineral deposits; (*b*) laboratory research on the benefication of nonmetallic minerals; (*c*) research on the development of synthetic minerals as substitutes; and (*d*) research to develop more efficient methods of using our available nonmetallic minerals.

7. *Foreign mineral activities.*—The Bureau analyzes technical and economic data on foreign mineral resources, production, consumption, and international trade for Government use in coping with problems of mineral supply and to assist industry in planning domestic and foreign minerals ventures.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$835,636	$766,818	$766,818	$766,818
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,108,927	1,227,019	1,227,019	1,227,019
Total selected resources at end of year	1,944,563	1,993,837	1,993,837	1,993,837
Selected resources at start of year (−)		−1,944,563	−1,993,837	−1,993,837
Adjustment of selected resources reported at start of year		29,835		
Obligations incurred for costs of other years, net		79,109		

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		2,188		2,341		2,341
Full-time equivalent of all other positions		84		81		81
Average number of all employees		2,113		2,354		2,340
Number of employees at end of year		2,335		2,550		2,550
Average GS grade and salary	7.6	$5,612	7.7	$5,719	7.7	$5,773
Average salary of ungraded positions		$4,479		$4,560		$4,808
01 Personal services:						
Permanent positions		$11,021,833		$12,564,000		$12,643,000
Positions other than permanent		386,864		361,000		361,000
Other personal services		146,122		169,000		169,000
Total personal services		11,554,819		13,094,000		13,173,000
02 Travel		432,405		527,000		520,000
03 Transportation of things		108,289		72,000		72,000
04 Communication services		126,367		150,000		150,000
05 Rents and utility services		291,733		300,000		300,000
06 Printing and reproduction		222,400		209,000		209,000
07 Other contractual services		666,320		803,000		741,000
08 Supplies and materials		1,069,542		1,075,000		1,075,000
09 Equipment		1,261,736		1,200,000		1,200,000
10 Lands and structures		78,754		75,000		60,000
11 Grants, subsidies, and contributions				815,000		820,000
13 Refunds, awards, and indemnities		14,824		11,000		11,000
15 Taxes and assessments		12,383		12,000		12,000
Subtotal		15,839,572		18,343,000		18,343,000
Deduct quarters and subsistence charges		1,188		4,000		4,000
Total obligations		15,838,384		18,339,000		18,339,000

Health and Safety

For expenses necessary for promotion of health and safety in mines and in the minerals industries, and controlling fires in coal deposits, as authorized by law, $5,900,000. (*30 U. S. C. 1–11; 66 Stat. 692; 68 Stat. 1009; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$5,900,000** Estimate 1959, **$5,900,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Inspections, investigations, and rescue work	$4,893,354	$5,527,000	$5,585,000
2. Control of fires in coal deposits	401,399	236,000	315,000
Total program costs	5,294,753	5,763,000	5,900,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−102,656		
Total program (obligations)	5,192,097	5,763,000	5,900,000
Financing:			
Comparative transfers to other accounts	99,206		
Unobligated balance no longer available	12,997	137,000	
Appropriation (new obligational authority)	5,304,300	5,900,000	5,900,000

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BUREAU OF MINES—Continued

Current authorizations—Continued

HEALTH AND SAFETY—Continued

1. *Inspections, investigations, and rescue work.*—The objectives for 1959 are (*a*) to inspect, at least once annually, every active coal mine regularly employing more than 14 men underground, to require compliance with mandatory provisions and make recommendations to gain compliance with the voluntary provisions of law; (*b*) to inspect annually, or as necessary, underground coal mines regularly employing less than 15 men, and all strip mines, and to report on hazards observed with appropriate recommendations to correct the hazards; and (*c*) to conduct investigations of accidents and rescue work to reduce working hazards, safeguard the health of workers, and promote efficiency in the mineral industries. The Bureau encourages accident prevention through education and safety organizations, exhibits, demonstrations, instruction in accident prevention, and first-aid and mine-rescue methods. Research is conducted on the support of mine roof and equipment is tested for use in mines and plants where explosive atmospheres may be encountered. The Bureau also conducts field and laboratory studies of ventilation of mines, methods of allaying mineral dusts, prevention of dust accumulations, effective use of rock dust to prevent widespread coal-dust explosions, and blasting practices.

SUMMARY OF COAL-MINE INSPECTION WORK

[Calendar years]

	1955 actual	*1956 actual*	*1957 estimate*	*1958 estimate*
Active mines	8,510	9,458	9,000	9,000
Individual mines inspected	6,388	7,575	8,000	8,000
Mines inspections	9,823	10,754	11,000	11,000

2. *Control of fires in coal deposits.*—Fires in inactive or abandoned deposits on public lands or private property are controlled or extinguished. Expenditures in connection with fires in operating mines are limited to surveys, investigations, and research.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$302,154	$186,375	$186,375	$186,375
Selected resources at start of year (−)		−302,154	−186,375	−186,375
Adjustment of selected resources reported at start of year		13,123		
Costs financed from obligations of other years, net (−)		−102,656		

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		763		744		744
Full-time equivalent of all other positions		20		23		23
Average number of all employees		739		765		759
Number of employees at end of year		790		795		790
Average GS grade and salary		7.6	$5,612	7.7	$5,719	7.7	$5,773
Average salary of ungraded positions			$4,479		$4,560		$4,808
01	Personal services:						
	Permanent positions		$4,083,619		$4,280,000		$4,285,000
	Positions other than permanent		113,309		116,300		116,300
	Other personal services		33,589		65,700		65,700
	Total personal services		4,230,517		4,462,000		4,467,000
02	Travel		225,830		238,000		238,000
03	Transportation of things		12,114		13,000		13,000
04	Communication services		51,448		60,000		60,000
05	Rents and utility services		47,893		58,000		58,000
06	Printing and reproduction		24,000		29,000		29,000
07	Other contractual services		262,170		265,000		336,000
08	Supplies and materials		159,559		210,000		213,000
09	Equipment		172,496		155,000		205,000
11	Grants, subsidies, and contributions				267,000		275,000
13	Refunds, awards, and indemnities		$4,678		$4,500		$4,500
15	Taxes and assessments		1,392		1,500		1,500
	Total obligations		5,192,097		5,763,000		5,900,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Mines, including such expenses in the regional offices, $1,095,000. (*30 U. S. C. 1–11; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,095,000** Estimate 1959, **$1,095,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General administrative expenses (total costs)	$1,005,761	$1,095,000	$1,095,000
2. Relation of costs to obligations: Obligations incurred for costs of other years, net	10,148		
Total program (obligations)	1,015,909	1,095,000	1,095,000
Financing:			
Unobligated balance no longer available	14,091		
Appropriation (new obligational authority)	1,030,000	1,095,000	1,095,000

1. *General administrative expenses.*—This appropriation provides for the immediate office of the director and deputy director, the administrative division in Washington, and the top executive and administrative staffs in the five regional offices. The balance of the cost of administering the Bureau is charged to program funds appropriated directly or transferred from Department of Defense, Atomic Energy Commission, General Services Administration, and other agencies.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,487	$3,487	$3,487	$3,487
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	21,027	28,573	28,573	28,573
Total selected resources at end of year	24,514	32,060	32,060	32,060
Selected resources at start of year (−)		−24,514	−32,060	−32,060
Adjustment of selected resources reported at start of year		2,602		
Obligations incurred for costs of other years, net		10,148		

Object Classification

		1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions		161		162		162	
Full-time equivalent of all other positions		3		4		4	
Average number of all employees		154		162		161	
Number of employees at end of year		161		168		167	
Average GS grade and salary		7.6	$5,612	7.7	$5,719	7.7	$5,773
Average salary of ungraded positions			$4,479		$4,560		$4,808
01	Personal services:						
	Permanent positions		$851,896		$871,000		$873,300
	Positions other than permanent		15,895		15,500		15,500
	Other personal services		3,479		5,500		4,700
	Total personal services		871,270		892,000		893,500
02	Travel		41,130		48,000		48,000
03	Transportation of things		2,762		3,000		3,000
04	Communication services		8,620		8,000		8,000
05	Rents and utility services		151		500		500
06	Printing and reproduction		15,745		16,000		16,000
07	Other contractual services		8,907		11,000		11,000
08	Supplies and materials		23,114		25,000		25,000
09	Equipment		26,421		30,000		27,500
10	Lands and structures		13,262				
11	Grants, subsidies, and contributions				56,000		57,000
13	Refunds, awards, and indemnities		4,184		5,000		5,000
15	Taxes and assessments		343		500		500
	Total obligations		1,015,909		1,095,000		1,095,000

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[CONSTRUCTION]

[For construction and improvement of facilities under the jurisdiction of the Bureau of Mines, to remain available until expended, $23,000, which shall be available for the cost of paving and improvement of streets and appurtenant facilities adjoining the Petroleum Experiment Station, Bartlesville, Oklahoma.] (*30 U. S. C. 161; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$23,000**

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1959	Appropriation required to complete
Program by activities:									
1. New laboratory facilities (total costs)	$6,241,025	$562,476	$4,235,041	$720,508		$723,000	$723,000		
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−1,810,217	−176,673					
Total program (obligations)			2,424,824	543,835					
Financing:									
Unobligated balance brought forward			−3,668,659	−1,243,835	−$723,000				
Unobligated balance carried forward			1,243,835	723,000	723,000				
Appropriation (new obligational authority)				23,000					

1. *New laboratory facilities.*—Funds previously appropriated will be used to complete the construction of helium production facilities and for paving and improvement of streets adjoining the petroleum experiment station at Bartlesville, Okla. No new funds are requested for 1959.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1956, $1,986,890 and 1957, $176,673.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	16	1	
Full-time equivalent of all other positions	3	4	
Average number of all employees	19	5	
Number of employees at end of year	11	0	
Average GS grade and salary	7.6 $5,612	7.7 $5,719	
Average salary of ungraded positions	$4,479	$4,560	
01 Personal services:			
Permanent positions	$87,589	$5,575	
Positions other than permanent	9,816	13,025	
Other personal services	32,523		
Total personal services	129,928	18,600	
02 Travel	4,937		
03 Transportation of things	21,219		
04 Communication services	2,782		
06 Printing and reproduction	908		
07 Other contractual services	1,107,907	335,000	
08 Supplies and materials	903,755	114,885	
09 Equipment	249,801	75,000	
10 Lands and structures	3,110		
11 Grants, subsidies, and contributions		350	
15 Taxes and assessments	477		
Total obligations	2,424,824	543,835	

DRAINAGE OF ANTHRACITE MINES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Contribution to the Commonwealth of Pennsylvania (total program costs)	$7,801	$3,000,000	$3,000,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	320,844	1,000,000	
Total program (obligations)	328,645	4,000,000	3,000,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$8,500,000	−$8,171,355	−$4,171,355
Unobligated balance carried forward	8,171,355	4,171,355	1,171,355
Appropriation (new obligational authority)			

1. *Contribution to the Commonwealth of Pennsylvania.*—Funds appropriated in 1956 (69 Stat. 460) will be expended in 1958 and future years on a matched fund basis with the Commonwealth of Pennsylvania for the conservation of anthracite coal resources through flood control and anthracite mine drainage. No new funds are requested for 1959.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $320,844; 1958, $1,320,844; 1959, $1,320,844.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$328,645	$4,000,000	$3,000,000

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Bureau of Mines may be expended for purchase of not to exceed [eighty-eight] *seventy-eight* passenger motor vehicles for replacement only; providing transportation services in isolated areas for employees, student dependents of employees, and other pupils, and such activities may be financed under cooperative arrangements; purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work: *Provided*, That the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided further*, That the sums made available for the current fiscal year to the Departments of the Army, Navy, and Air Force for the acquisition of helium from the Bureau of Mines shall be transferred to the Bureau of Mines, and said sums, together with all other payments to the Bureau of Mines for helium, shall be credited to the special helium production fund, established pursuant to the Act of March 3, 1925, as amended

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BUREAU OF MINES—Continued

Current authorizations—Continued

ADMINISTRATIVE PROVISIONS—Continued

(50 U. S. C. 164 (c)): *Provided further*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Aircraft and missile procurement," Air Force.
"Army industrial fund."
"Construction and rehabilitation," Bureau of Reclamation.
"Grants for hospital construction," Public Health Service.
"Military construction," Army.
"Military construction," Navy.
"Operating expenses, Atomic Energy Commission."
"Procurement of equipment and missiles, Army."
"Research and development," Air Force.
"Research and development," Army.
"Research and development," Navy.
"Revolving fund, Defense Production Act," funds appropriated to the President.

Public enterprise funds:

DEVELOPMENT AND OPERATION OF HELIUM PROPERTIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Manufacturing expense	$3,411,836	$4,908,237	$5,246,734
Administrative and other expense	358,227	601,006	691,723
Writeoffs of stores inventory and equipment	3,213		
Total operating costs	3,773,276	5,509,243	5,938,457
Depreciation and depletion included above (−)	−871,233	−1,387,594	−1,509,670
Other costs included above (−) not requiring funding	−25,341		
Total operating costs, funded	2,876,702	4,121,649	4,428,787
Capital outlay:			
Acquisition of land, structures, and equipment	258,084	9,460,770	5,973,100
Property transferred in (−) without charge	−12,009	−5,135,000	
Total capital outlay, funded	246,075	4,325,770	5,973,100
Total costs, funded	3,122,777	8,447,419	10,401,887
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−3,493,098
Obligations incurred for costs of other years, net	1,426,563	1,935,966	
Total program (obligations)	4,549,340	10,383,385	6,908,789
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of fixed assets	1,216	1,500	2,135
Sale of helium	4,664,894	6,534,500	7,368,400
Other revenue	843,187	952,918	997,589
Total amounts becoming available	5,509,297	7,488,918	8,368,124
Unobligated balance brought forward	4,598,743	5,558,700	2,164,233
Total amounts available	10,108,040	13,047,618	10,532,357
Capital transfer (payment of profits to Treasury) (−)		−500,000	
Unobligated balance carried forward	−5,558,700	−2,164,233	−3,623,568
Financing applied to program	4,549,340	10,383,385	6,908,789

This fund provides for the conservation, development, production, and sale of helium. Production is primarily for the Army, Navy, Air Force, and the Atomic Energy Commission, who reimburse the fund for products received. Sales are also made to non-Federal consumers for medical, scientific, and commercial use (50 U. S. C. 164).

Budget program.—Operating costs are rising in keeping with the increase in production resulting from the recent completion of a new plant and the rehabilitation of existing plants.

The increase in capital outlay provides chiefly for the development of new sources of helium, the improvement of production facilities, and the purchase of tank cars.

Operating results.—Retained earnings are used to meet the financial requirements of the above program which is expanding to meet the growing demand for helium.

Relationship of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Helium for sale	$85,601	$41,519	$45,763	$43,681
Supplies, deferred charges, and conserved helium	569,720	421,543	394,515	389,844
Unpaid undelivered orders	58,985	1,677,807	3,636,557	150,212
Total selected resources at end of year	714,306	2,140,869	4,076,835	583,737
Selected resources at start of year (−)		−714,306	−2,140,869	−4,076,835
Costs financed from obligations of other years net (−)				−3,493,098
Obligations incurred for costs of other years, net	1,426,563	1,935,966		

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of land, structures, and equipment	$246,075	$4,325,770	$5,973,100
Expense	2,854,748	4,125,893	4,426,705
Total sales program	3,100,823	8,451,663	10,399,805
Increase in selected working capital	208,936	203,310	
Total gross expenditures	3,309,759	8,654,973	10,399,805
Receipts from operations (funds provided):			
Sales program: Revenue	5,508,081	7,487,418	8,365,989
Undistributed receipts:			
Proceeds from sale of land, structures, and equipment	1,216	1,500	2,135
Adjustment of prior year transactions	22,128		
Decrease in selected working capital			383,280
Total receipts from operations	5,531,425	7,488,918	8,751,404
Budget expenditures	−2,221,666	1,166,055	1,648,401

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$5,508,081	$7,487,418	$8,365,989
Expense	3,770,063	5,509,243	5,938,457
Net operating income	1,738,018	1,978,175	2,427,532
Nonoperating income or loss (−):			
Proceeds from sale of land, structures, and equipment	1,216	1,500	2,135
Net book value of assets sold	−1,216	−1,500	−2,135
Net nonoperating income or loss (−)			
Net income for the year	1,738,018	1,978,175	2,427,532
Analysis of retained earnings:			
Retained earnings, beginning of year	2,076,425	3,811,642	5,289,817
Adjustment of prior year transactions, net	−2,801		
Payment of profits to Treasury (−)		−500,000	
Retained earnings, end of year	3,811,642	5,289,817	7,717,349

Financial Condition

Assets:			
Cash with Treasury and in banks	$7,266,826	$5,600,771	$3,952,370
Accounts receivable, net	637,625	858,925	525,759
Helium for sale	41,519	45,763	43,681
Supplies, deferred charges, and conserved helium	421,543	394,515	389,844
Land, structures, and equipment	11,416,697	19,488,373	23,949,668
Total assets	19,784,210	26,388,347	28,861,322
Liabilities:			
Current	667,944	658,906	704,349

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Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Government investment:			
Non-interest bearing capital:			
Start of year	$15,271,136	$15,304,624	$20,439,624
Appraisals, writeoffs, and disposals, net	24,382		
Donated assets, net	9,106	5,135,000	
End of year	15,304,624	20,439,624	20,439,624
Retained earnings	3,811,642	5,289,817	7,717,349
Total Government investment	19,116,266	25,729,441	28,156,973

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$5,045,160	$7,266,826	$5,600,771	$3,952,370
Obligated balance, net:				
Current liabilities	843,004	667,944	658,906	704,349
Unpaid undelivered orders	58,985	1,677,807	3,636,557	150,212
Accounts receivable, net (−)	−455,572	−637,625	−858,925	−525,759
Total obligated balance	446,417	1,708,126	3,436,538	328,802
Unobligated balance	4,598,743	5,558,700	2,164,233	3,623,568

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	438	454	483
Full-time equivalent of all other positions	19		
Average number of all employees	394	435	468
Number of employees at end of year	409	450	480
Average GS grade and salary	7.6 $5,612	7.7 $5,719	7.7 $5,773
Average salary of ungraded positions	$4,479	$4,560	$4,808
01 Personal services:			
Permanent positions	$1,794,017	$2,199,000	$2,390,000
Positions other than permanent	87,090		
Other personal services	94,702	97,000	108,000
Total personal services	1,975,809	2,296,000	2,498,000
02 Travel	19,622	22,000	23,000
03 Transportation of things	13,461	21,000	22,000
04 Communication services	21,700	24,000	25,000
05 Rents and utility services	19,272	57,000	60,000
06 Printing and reproduction	2,319	2,500	3,000
07 Other contractual services	127,211	197,000	207,000
08 Supplies and materials	710,473	1,332,635	1,423,633
09 Equipment	38,092	4,326,000	5,973,000
11 Grants, subsidies, and contributions		142,000	155,000
13 Refunds, awards, and indemnities	590	1,500	1,500
15 Taxes and assessments	1,969	3,000	4,000
Total accrued expenditures	2,930,518	8,424,635	10,395,133
Increase or decrease (−) in undelivered orders	1,618,822	1,958,750	−3,486,344
Total obligations	4,549,340	10,383,385	6,908,789

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Bituminous coal:			
Department of the Army	$146,269	$154,110	$154,110
Department of the Air Force	139,791	257,000	257,000
Department of the Navy	157,867	172,400	172,400
Department of Health, Education, and Welfare	74,134	135,285	135,285
Atomic Energy Commission	228,997	544,630	544,630
Other agencies	69,462	67,805	77,805
2. Petroleum, natural gas, and oil shale:			
Department of the Army	19,230	80,770	80,000
Department of the Navy	206,242	19,605	19,500
Department of Health, Education, and Welfare	60,000		
Department of the Air Force		75,106	75,000
Other agencies	38,492	29,835	30,600

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
3. Ferrous metals:			
General Services Administration	$300,843	$214,300	$214,300
Other agencies	1,906	4,500	1,500
4. Nonferrous metals:			
Department of the Navy	99,719	80,000	75,000
Atomic Energy Commission	775,655	703,100	270,100
General Services Administration	522,493	633,744	514,500
Other agencies	25,483	2,000	2,000
5. Nonmetallic minerals	46,429	81,000	81,000
6. Foreign activities	201,329	200,000	200,000
7. Inspections, investigations, and rescue work	28,058	44,000	44,000
8. General administrative expenses	190		
Total obligations	3,142,589	3,499,190	2,948,730
Financing:			
Unobligated balance brought forward	91,355	167,543	185,000
Advances and reimbursements from other accounts	3,298,916	3,516,647	2,913,730
Unobligated balance carried forward	−167,543	−185,000	−150,000
Unobligated balance no longer available	−80,139		
Total financing	3,142,589	3,499,190	2,948,730

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	453	417	402
Full-time equivalent of all other positions	20	22	28
Average number of all employees	442	427	387
Number of employees at end of year	453	450	400
Average GS grade and salary	7.6 $5,612	7.7 $5,719	7.7 $5,773
Average salary of ungraded positions	$4,479	$4,560	$4,808
01 Personal services:			
Permanent positions	$2,354,621	$2,323,000	$2,070,000
Positions other than permanent	83,071	97,000	114,500
Other personal services	32,977	28,000	21,500
Total personal services	2,470,669	2,448,000	2,206,000
02 Travel	59,922	63,000	58,000
03 Transportation of things	40,643	38,000	33,000
04 Communication services	19,219	20,000	19,000
05 Rents and utility services	52,426	46,000	44,000
06 Printing and reproduction	1,794	3,000	3,000
07 Other contractual services	102,246	108,000	90,000
08 Supplies and materials	320,064	340,190	271,730
09 Equipment	63,608	266,000	70,000
10 Lands and structures	10,233	16,000	16,000
11 Grants, subsidies, and contributions		148,000	135,000
13 Refunds, awards, and indemnities	924	1,000	1,000
15 Taxes and assessments	2,631	2,000	2,000
Subtotal	3,144,379	3,499,190	2,948,730
Deduct quarters and subsistence charges	1,790		
Total obligations	3,142,589	3,499,190	2,948,730

NATIONAL PARK SERVICE

The Service administers national parks and other areas of unusual historic, scenic, scientific, or recreational character in the interest of their preservation as well as their public use and makes studies of the recreation resources of the United States in cooperation with Federal, State, and local agencies.

1959 will be the third year of the 10-year program, Mission 66, to provide personnel and facilities needed to serve the ever increasing number of visitors to park areas, and at the same time, preserve park values. Visitation to parks is expected to increase from 60 million in 1957 to over 80 million in 1966.

Current authorizations:

MANAGEMENT AND PROTECTION

For expenses necessary for the management and protection of the areas and facilities administered by the National Park Service, including protection of lands in process of condemnation; and for plans, investigations, and studies of the recreational resources (exclusive of preparation of detail plans and working drawings) and archaeological values in river basins of the United States (except the Missouri River Basin); [$14,150,000] *$14,632,000.* (*5 U. S. C.*

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NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

MANAGEMENT AND PROTECTION—Continued

124–132; 16 U. S. C. 1, 17k–n, 431–433, 459r, 460, 460a–2, 461–467, 590a, 590f; Act of May 29, 1930 (46 Stat. 482–483); Act of June 10, 1948 (62 Stat. 350); Act of June 30, 1949 (63 Stat. 377); Act of Aug. 17, 1949 (63 Stat. 612); Department of the Interior and Related Agencies Appropriation Act, 1958.)

Appropriated 1958, **$14,150,000** Estimate 1959, **$14,632,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Management of park and other areas	$9,461,245	$11,020,579	$11,450,794
2. Forestry and fire control	814,738	867,500	874,705
3. Soil and moisture conservation	99,419	115,000	100,000
4. Park and recreation programs	941,389	1,845,051	1,917,631
5. Concessions management	246,673	288,870	288,870
Total obligations	11,563,464	14,137,000	14,632,000
Financing:			
Unobligated balance no longer available	21,536	13,000	
New obligational authority	11,585,000	14,150,000	14,632,000
New obligational authority:			
Appropriation	$11,562,000	$14,150,000	$14,632,000
Transferred from "Maintenance and rehabilitation of physical facilities" (70 Stat. 266)	23,000		
Appropriation (adjusted)	11,585,000	14,150,000	14,632,000

1. *Management of park and other areas.*—The 180 areas comprise about 24 million acres located in 39 States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and Virgin Islands. The increase proposed is to provide for (*a*) leasing of commercial communication facilities; (*b*) operation of new facilities constructed or under construction; and (*c*) added visitor services and protection in the parks as a result of the continued increase in visitation. Actual and estimated visitors and revenue receipts are as follows:

	Calendar year visitors	*Fiscal year receipts*
1956 actual	54,923,443	$5,065,784
1957 actual	----------	5,658,040
1957 estimated	59,600,000	----------
1958 estimated	63,000,000	5,728,000
1959 estimated	66,000,000	5,987,000

2. *Forestry and fire control.*—Forests, brushland, or grassland on over 11 million acres are protected from fire, destructive insects, diseases, and other preventable damage. The increase proposed is to provide for leasing of commercial communication facilities.

3. *Soil and moisture conservation.*—The 1959 program will permit corrective measures on a number of the most critical problem areas.

4. *Park and recreation programs.*—Studies are made of the park, parkway, and recreational potentialities of the United States and its Territories, frequently in cooperation with Federal, State, and local agencies. Technical guidance essential to management, protection, and public use are provided in the fields of biology, geology, history, and archeology. Surveys are made of historic American buildings and sites to acquire and preserve data relative thereto. Investigations are made to determine whether agencies receiving surplus Federal real property with a recreational potential are utilizing those properties in conformity with terms of the transfer agreements. The increase proposed is to provide for further studies in connection with proposed or existing areas; acceleration of studies of recreational facilities on a national scale; more adequate control of land use and water resources; and surveys in connection with historic sites.

5. *Concessions management.*—There are approximately 160 major concessionaires operating in parks and other areas. Contracts are negotiated, or permits issued; rates are established; services to be rendered are determined; and records audited.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,586	1,843	1,882
Full-time equivalent of all other positions	416	506	507
Average number of all employees	1,883	2,253	2,321
Number of employees at end of year	2,698	3,100	3,150
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$7,418,114	$8,880,309	$9,363,503
Positions other than permanent	1,358,681	1,662,981	1,669,167
Other personal services	397,233	341,941	352,188
Total personal services	9,174,028	10,885,231	11,384,858
02 Travel	352,193	406,354	383,767
03 Transportation of things	91,355	92,650	84,650
04 Communication services	147,723	204,196	250,336
05 Rents and utility services	180,632	184,708	208,187
06 Printing and reproduction	158,461	202,825	192,242
07 Other contractual services	319,302	343,352	255,315
Services performed by other agencies	3,500	15,000	15,000
08 Supplies and materials	603,257	829,706	852,750
09 Equipment	505,861	468,626	472,120
11 Grants, subsidies, and contributions	----------	475,290	503,280
13 Refunds, awards, and indemnities	4,661	3,150	3,500
15 Taxes and assessments	22,491	25,912	25,995
Total obligations	11,563,464	14,137,000	14,632,000

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

For expenses necessary for the operation, maintenance, and rehabilitation of roads (including furnishing special road maintenance service to defense trucking permittees on a reimbursable basis), trails, buildings, utilities, and other physical facilities essential to the operation of areas administered pursuant to law by the National Park Service, [$11,600,000] *$12,000,000. (5 U. S. C. 124–132; 16 U. S. C. 1, 8b, 8d, 431–433, 459r, 460, 460a–2, 461–467; Act of May 29, 1930 (46 Stat. 482, 483); Act of Aug. 17, 1949 (63 Stat. 612); Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$11,600,000** Estimate 1959, **$12,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Roads and trails	$4,486,196	$4,945,000	$5,147,040
2. Buildings, utilities, and other facilities	5,623,814	6,645,000	6,852,960
Total obligations	10,110,010	11,590,000	12,000,000
Financing:			
Unobligated balance no longer available	24,990	10,000	
New obligational authority	10,135,000	11,600,000	12,000,000
New obligational authority:			
Appropriation	$10,158,000	$11,600,000	$12,000,000
Transferred to "Management and protection" (70 Stat. 266)	−23,000		
Appropriation (adjusted)	10,135,000	11,600,000	12,000,000

The objectives are to maintain and operate physical facilities while safeguarding the natural, historic, and scenic values of the parks. Representative items comprising the physical plant are as follows:

1. *Roads and trails.*—The increase proposed is (*a*) to meet additional costs incident to increased wage rates, prices of supplies, equipment, etc., and (*b*) for leasing of commercial communication facilities.

		Beginning	
Facility:	*Unit*	*1958*	*1959*
Roads	Miles	7,080	7,255
Trails	do	8,298	8,364
Airport runways	do	48	48

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2. *Buildings, utilities, and other facilities.*—Workloads continue to increase as visitation increases and construction of additional facilities is completed. The increase proposed is for maintenance of new facilities at two areas of the National Capital Parks system, and for the same purposes as indicated in 1 (*a*) and 1 (*b*) above.

	Beginning	
	1958	*1959 estimate*
Buildings	7,277	7,539
Water systems	756	782
Sewer systems	938	1,010
Garbage and trash disposal (number of cans)	1,004,889	1,193,807
Camp sites	11,826	12,982
Signs	28,893	32,213
Dioramas	1,372	2,280

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,268	1,291	1,288
Full-time equivalent of all other positions	518	615	663
Average number of all employees	1,601	1,799	1,844
Number of employees at end of year	2,674	2,725	2,740
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$4,527,697	$5,424,450	$5,542,541
Positions other than permanent	1,802,932	2,042,661	2,204,242
Other personal services	190,696	145,631	149,057
Total personal services	6,521,325	7,612,742	7,895,840
02 Travel	89,888	89,685	88,785
03 Transportation of things	52,156	52,473	51,387
04 Communication services	57,751	75,366	88,544
05 Rents and utility services	217,326	236,688	242,957
06 Printing and reproduction	4,416	5,575	4,925
07 Other contractual services	500,134	520,733	533,303
08 Supplies and materials	1,617,661	1,783,163	1,869,098
09 Equipment	946,457	807,044	807,778
10 Lands and structures	44,233	45,300	45,300
11 Grants, subsidies, and contributions		299,292	308,291
13 Refunds, awards, and indemnities	10,209	6,475	6,525
15 Taxes and assessments	48,454	55,464	57,267
Total obligations	10,110,010	11,590,000	12,000,000

CONSTRUCTION

For construction and improvement, without regard to the Act of August 24, 1912, as amended (16 U. S. C. 451), of buildings, utilities, and other physical facilities; the repair or replacement of roads, trails, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, or storm, or the construction of projects deferred by reason of the use of funds for such purposes; and the acquisition of lands, interests therein, improvements, and water rights; to remain available until expended, [$17,400,000] *$12,400,000. (5 U. S. C. 124–132; 16 U. S. C. 1, 431–433, 459r, 461–467; Act of August 31, 1954 (68 Stat. 1037); Act of Aug. 9, 1955 (69 Stat. 575, 576); Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$17,400,000** Estimate 1959, **$12,400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Buildings, utilities, and other facilities	$12,624,230	$18,670,269	$14,269,000
2. Acquisition of:			
(*a*) Lands	1,216,212	1,481,876	1,533,138
(*b*) Water rights	28,155	169,572	90,330
3. Parkways	20,357	56,127	
4. Roads and trails	186,857	119,184	
Total obligations	14,075,811	20,497,028	15,892,468
Financing:			
Unobligated balance brought forward	−5,415,307	−6,589,496	−3,492,468
Unobligated balance carried forward	6,589,496	3,492,468	
Appropriation (new obligational authority)	15,250,000	17,400,000	12,400,000

1. *Buildings, utilities, and other facilities.*—The 1959 program is the third year of a 10-year program to provide essential facilities to meet all visitor requirements by 1966. A summary of the 1959 program by major type of construction follows:

Campgrounds, trailer, and picnic facilities	$2,080,000
Visitor centers, exhibits and audio-visual installations	1,782,200
Ranger stations and contact stations	80,000
Rehabilitation, historic structures, etc	1,355,000
Utility systems	2,386,000
Utility buildings	433,000
Employee housing	1,260,000
Miscellaneous: Fencing, grounds, improvement, signs and markers, etc	1,421,800
Administration buildings	231,000
Advance planning	600,000
Development of Jefferson National Expansion Memorial	2,640,000
Total program	14,269,000

2. *Acquisition of lands and water rights.*—Approximately 630,000 acres of privately owned lands are located within the areas administered and should be acquired to facilitate public use of these areas. Status of land acquisition present and projected is as follows:

[Acres]

	1957	*1958*	*1959*
Private lands, beginning of year	655,509	629,009	599,009
Acquired during year	26,500	30,000	25,000
Private lands, end of year	629,009	599,009	574,009

Rights to water must be obtained, frequently by purchase, in many of the areas for use of visitors and employees, and for fire protection.

The obligations for 1957 and 1958 under the lands subactivity includes $168,918 and $162,547, respectively, for the Independence National Historical Park acquisition program. The remaining few parcels should be acquired in 1958.

3 and 4. *Parkways, roads and trails.*—The obligations for these programs are against carryover balances of prior appropriations for programs authorized by the Federal Highway Act of 1952. Programs authorized by the Federal Highway Acts of 1954 and 1956 are obligated against the contract authority provided by those acts and are shown under the appropriation "Construction (liquidation of contract authorization)," National Park Service.

Object Classification

	1957 actual	1958 estimate	1959 estimate
NATIONAL PARK SERVICE			
Total number of permanent positions	307	330	
Full-time equivalent of all other positions	280	325	186
Average number of all employees	458	543	410
Number of employees at end of year	375	477	310
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$1,207,154	$1,403,000	$1,410,000
Positions other than permanent	952,481	1,170,000	670,000
Other personal services	84,228	100,000	100,000
Total personal services	2,243,863	2,673,000	2,180,000
02 Travel	250,517	300,000	300,000
03 Transportation of things	43,783	60,000	60,000
04 Communication services	31,252	40,000	40,000
05 Rents and utility services	79,439	100,000	100,000
06 Printing and reproduction	23,687	30,000	30,000
07 Other contractual services	1,921,207	2,500,000	2,000,000
08 Supplies and materials	544,821	600,000	600,000
09 Equipment	415,383	400,000	400,000
10 Lands and structures	8,503,972	13,681,000	10,077,000
11 Grants, subsidies, and contributions		91,195	91,650
13 Refunds, awards, and indemnities	943	1,000	1,000
15 Taxes and assessments	17,096	20,833	12,818
Total, National Park Service	14,075,963	20,497,028	15,892,468
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
07 Other contractual services	−152		
Total obligations	14,075,811	20,497,028	15,892,468

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NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred pursuant to authority contained in section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73) and section 106 of the Federal-Aid Highway Act of 1956 (70 Stat. 376), including acquisition of right-of-way for the eastern entrance road, Rocky Mountain National Park, Colorado, [$31,000,000] *$22,000,000,* to remain [avilable] *available* until expended: *Provided, That the contract authorization granted for the fiscal year 1959, by sections 104 (a), 104 (b), and 106 of the Federal-Aid Highway Act of 1956, is hereby reduced by the amount of $6,667,000. (5 U. S. C. 124–132; 16 U. S. C. 8, 8a, 8d, 192–2–192b–5, 403h–11, 431–433, 459r, 460a–2, 461–467; Act of May 29, 1930 (46 Stat. 482); Act of June 16, 1933 (48 Stat. 200, 201); Act of Aug. 17, 1949 (63 Stat. 612); Act of Aug. 3, 1950 (64 Stat. 400); Act of Aug. 9, 1955 (69 Stat. 555); Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$31,000,000** Estimate 1959, **$22,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Parkways	$10,914,842	$16,879,698	$11,000,000
2. Roads and trails	14,495,582	16,355,093	16,355,000
Total obligations	25,410,424	33,234,791	27,355,000
Financing:			
Unobligated balance brought forward (contract authorization)	−28,667,215	−35,256,791	−34,022,000
Unobligated balance rescinded (contract authorization)			6,667,000
Unobligated balance carried forward (contract authorization)	35,256,791	34,022,000	
Contract authorization (new)	32,000,000	32,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$37,852,500	$40,052,500	$41,052,500
Contract authorization (new)	32,000,000	32,000,000	
Unfunded balance rescinded			−6,667,000
Unfunded balance at end of year	−40,052,500	−41,052,500	−12,385,500
Appropriation to liquidate contract authorization	29,800,000	31,000,000	22,000,000

1. *Parkways.*—Progress of construction of nine authorized parkways is shown as follows:

	Estimated total cost	*Appropriated through 1958*	*1959 estimate*	*Estimated cost to complete*
1. Baltimore-Washington	$14,500,000	$14,500,000		
2. Blue Ridge	94,811,800	54,482,060	$3,691,000	$36,638,740
3. Chesapeake and Ohio Canal	7,288,000	299,857		6,988,143
4. Colonial	8,745,695	8,295,695		450,000
5. Foothills	23,992,200	2,049,396	760,050	21,182,754
6. George Washington Memorial [1]	61,265,900	7,457,540	2,348,890	51,459,470
7. Natchez Trace	101,280,600	31,844,989	2,765,560	66,670,051
8. Rock Creek and Potomac	3,981,600	400,400	216,500	3,364,700
9. Suitland	1,079,587	1,079,587		
Total	316,945,382	120,409,524	9,782,000	186,753,858

[1] Excludes $8,000,000 appropriated to Central Intelligence Agency for construction on parkway.

2. *Roads and trails.*—The 1959 program contemplates work on 90 miles of major roads, including 6 bridges, reconstruction of 45 miles of roads, stage construction of about 31 miles, completion of final paving on 22 miles, and work on 2 miles of new roads, in addition to numerous minor roads, trails, and parking areas.

Object Classification

	1957 actual	1958 estimate	1959 estimate
NATIONAL PARK SERVICE			
Total number of permanent positions	203	252	255
Full-time equivalent of all other positions	230	250	178
Average number of all employees	451	482	411
Number of employees at end of year	901	900	800

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
NATIONAL PARK SERVICE—continued			
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$1,496,636	$1,559,915	$1,580,000
Positions other than permanent	726,889	840,000	600,000
Other personal services	56,350	60,000	60,000
Total personal services	2,279,875	2,459,915	2,240,000
02 Travel	129,152	150,000	150,000
03 Transportation of things	16,881	27,500	27,500
04 Communication services	41,175	40,000	40,000
05 Rents and utility services	169,825	170,000	170,000
06 Printing and reproduction	28,163	30,000	30,000
07 Other contractual services	2,128,383	3,500,000	2,750,000
08 Supplies and materials	511,740	600,000	600,000
09 Equipment	181,410	185,000	185,000
10 Lands and structures	16,796,555	23,004,000	18,677,000
11 Grants, subsidies, and contributions		103,000	102,700
13 Refunds, awards, and indemnities	862	1,000	1,000
15 Taxes and assessments	15,413	15,780	12,670
Total, National Park Service	22,299,434	30,286,195	24,985,870
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	275	295	225
Full-time equivalent of all other positions	43	43	43
Average number of all employees	304	320	244
Number of employees at end of year	332	340	300
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
Average salary of ungraded positions	$6,103	$6,074	$6,070
01 Personal services:			
Permanent positions	$1,145,500	$1,237,500	$915,200
Positions other than permanent	133,111	134,000	134,000
Other personal services	82,424	73,500	70,800
Total personal services	1,361,035	1,445,000	1,120,000
02 Travel	130,571	140,000	105,000
03 Transportation of things	9,216	10,000	13,000
04 Communication services	7,871	9,000	13,000
05 Rents and utility services	33,311	97,000	52,000
06 Printing and reproduction	14,639	16,000	19,000
07 Other contractual services	798,201	960,000	735,000
08 Supplies and materials	60,778	60,000	74,000
09 Equipment	6,902	5,000	3,000
10 Lands and structures	688,046	114,296	164,030
11 Grants, subsidies, and contributions		91,300	70,200
13 Refunds, awards, and indemnities	420		
15 Taxes and assessments		1,000	900
Total, Bureau of Public Roads	3,110,990	2,948,596	2,369,130
Total obligations	25,410,424	33,234,791	27,355,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the National Park Service, including such expenses in the regional offices, $1,330,000. *(16 U. S. C. 1; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$1,330,000** Estimate 1959, **$1,330,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental expense	$788,997	$834,450	$834,450
2. Regional office expense	460,199	495,550	495,550
Total obligations	1,249,196	1,330,000	1,330,000
Financing:			
Unobligated balance no longer available	804		
Appropriation (new obligational authority)	1,250,000	1,330,000	1,330,000

General executive direction and administrative services for the entire Service are carried on at its headquarters in Washington, D. C., and in its five regional offices. Administrative costs at parks and monuments are charged to program funds.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	178	173	173
Full-time equivalent of all other positions	4	4	4
Average number of all employees	176	172	171
Number of employees at end of year	177	172	172
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$1,070,522	$1,094,405	$1,110,808
Positions other than permanent	12,285	12,074	12,072
Other personal services	4,875	7,652	7,706
Total personal services	1,087,682	1,114,131	1,130,586
02 Travel	65,474	60,776	51,082
03 Transportation of things	1,189	355	355
04 Communication services	22,514	21,450	20,650
05 Rents and utility services	819	920	920
06 Printing and reproduction	24,242	25,085	25,085
07 Other contractual services	22,266	21,535	14,933
08 Supplies and materials	14,723	11,056	9,102
09 Equipment	9,592	4,260	4,010
11 Grants, subsidies, and contributions		69,832	72,827
13 Refunds, awards, and indemnities	571	450	350
15 Taxes and assessments	124	150	100
Total obligations	1,249,196	1,330,000	1,330,000

Administrative Provisions

Appropriations for the National Park Service shall be available for the purchase of not to exceed [one hundred and seventeen] *eighty-four* passenger motor vehicles for replacement only, including not to exceed seventeen for replacing United States Park Police cruisers; *purchase of one aircraft;* and the objects and purposes specified in the Acts of August 8, 1953 (16 U. S. C. 1b–1d) and July 1, 1955 (16 U. S. C. 18f): *Provided,* That all receipts for the fiscal year [1958] *1959* from the operation of the McKinley Park Hotel in Mount McKinley National Park, Alaska, may be applied to, or offset against, costs of managing, operating, and maintaining the hotel and related facilities, and any receipts or other revenues in excess of such costs shall be deposited at least annually into the Treasury of the United States as miscellaneous receipts. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Construction, and rehabilitation," Bureau of Reclamation.
"Construction," Central Intelligence Agency.
"Operating expenses, National Capital Parks," District of Columbia.
"Capital outlay, Recreation Department," District of Columbia.
"Payments to school districts," Office of Education, Department of Health, Education, and Welfare.
"Surveys, investigations, and research," Geological Survey.

Permanent authorizations:

National Park Service Miscellaneous Permanent Appropriations

(Indefinite special accounts)

Appropriated (estimate) 1958, **$170,380** Estimate 1959, **$116,800**

Note.—The following schedules include unobligated balances and appropriations for "Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park."

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Educational expenses, children of employees, Yellowstone National Park"	$23,026	$27,595	$29,348
2. "Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park"	135,076	136,499	30,000
3. "Payment for tax losses on land acquired for Grand Teton National Park"	26,469	27,210	28,380
4. Covered into Treasury as miscellaneous receipts	6,644	9,582	4,405
Total obligations	191,215	200,886	92,133
Financing:			
Unobligated balance brought forward	−$102,148	−$145,685	−$115,179
Unobligated balance carried forward	145,685	115,179	139,846
New obligational authority	234,752	170,380	116,800
New obligational authority:			
"Educational expenses, children of employees, Yellowstone National Park"	$32,052	$32,000	$33,500
"Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park"	162,117	85,000	30,000
"Payment for tax losses on land acquired for Grand Teton National Park"	27,766	28,380	28,300
"Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park"	12,817	25,000	25,000
Appropriation	234,752	170,380	116,800

1. *Educational expenses, children of employees, Yellowstone National Park.*—Revenues received from park visitors are used to provide educational facilities to dependents of park personnel (16 U. S. C. 40c). Funds in excess of needs are returned to the Treasury as miscellaneous receipts. During 1959 it is estimated there will be 48 elementary and 15 high school students. Cost per student is estimated at $385 for elementary and $725 for high school.

2. *Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park.*—Some of the buildings on lands acquired for establishment of the Independence National Historical Park, Philadelphia, Pa., are rented pending their conversion to park purposes or demolition. Some of the cleared sites are being used temporarily as parking lots from which income is also realized. Income from these operations is used for management and maintenance of the rental properties and for demolition of buildings (65 Stat. 644).

3. *Payment for tax losses on land acquired for Grand Teton National Park.*—Park fees are used to compensate the State of Wyoming for tax losses on Grand Teton National Park lands (64 Stat. 849).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	9	10	4
Full-time equivalent of all other positions	7	2	1
Average number of all employees	17	13	5
Number of employees at end of year	15	12	4
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$44,497	$48,573	$21,271
Positions other than permanent	27,939	6,629	3,267
Other personal services	2,523	500	200
Total personal services	74,959	55,702	24,738
02 Travel	314	11	11
03 Transportation of things	103	112	61
04 Communication services	1,563	534	283
05 Rents and utility services	15,143	3,011	2,029
06 Printing and reproduction	38		
07 Other contractual services	41,463	93,697	27,981
08 Supplies and materials	12,789	6,956	2,454
09 Equipment	1,218	500	200
10 Lands and structures	9,650		
11 Grants, subsidies, and contributions	26,470	30,370	29,760
13 Refunds, awards, and indemnities	6,644	9,582	4,405
15 Taxes and assessments	861	411	211
Total obligations	191,215	200,886	92,133

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NATIONAL PARK SERVICE—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sale of quarters and subsistence to employees (non-Federal)	$601,739	$622,587	$636,227
2. Sale of utilities to concessionaire and others (non-Federal)	770,862	583,354	595,934
3. Miscellaneous services to other accounts	457,529	407,320	377,211
4. Prior year advances returned	981	9,771	
Total obligations	1,831,111	1,623,032	1,609,372
Financing:			
Unobligated balance brought forward	1,199	11,497	
Advances and reimbursements from—			
Other accounts	468,808	405,594	377,211
Non-Federal sources	1,372,601	1,205,941	1,232,161
Unobligated balance carried forward	−11,497		
Total financing	1,831,111	1,623,032	1,609,372

NOTE.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U. S. C. 481 (c)); for providing financial assistance for local educational agencies in areas affected by Federal activities (20 U. S. C. 236–244); for furnishing all types of utility services to concessioners, contractors, permittees, or other users of such services (67 Stat. 495); for furnishing meals and quarters to employees of the Government in the field and to cooperating agencies (16 U. S. C., sec. 14b, 456a); for furnishing special road maintenance to defense trucking permittees (Department of the Interior and Related Agencies Appropriation Act, 1956); for services furnished to the State of Louisiana (16 U. S. C., sec. 464); for the State of North Carolina's portion of the costs of lands being acquired by the Federal Government for purposes of Cape Hatteras National Seashore Recreational Area (16 U. S. C. 459–459a); for furnishing supplies and the rental of equipment to persons and agencies that cooperate, render services or perform functions that facilitate or supplement the administration of the National Park System and miscellaneous areas (67 Stat. 496 and 16 U. S. C. 17c); for purchase of personal equipment and supplies for employees (16 U. S. C. 17); and for transportation to and from work of employees of Carlsbad Caverns National Park (67 Stat. 495).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	8	2	1
Average number of all employees	223	224	224
Number of employees at end of year	8	2	1
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$786,898	$783,787	$782,036
Other personal services		66	39
Total personal services	786,898	783,853	782,075
02 Travel	17,736	15,300	13,501
03 Transportation of things	13,347	11,800	12,351
04 Communication services	12,283	13,924	14,386
05 Rents and utility services	203,758	217,486	227,854
06 Printing and reproduction	663	250	250
07 Other contractual services	114,197	78,569	77,667
08 Supplies and materials	372,944	372,695	362,779
09 Equipment	131,902	104,019	104,715
10 Lands and structures	171,841	220	
11 Grants, subsidies, and contributions		10,264	8,734
13 Refunds, awards, and indemnities	981	9,771	
15 Taxes and assessments	4,561	4,881	5,060
Total obligations	1,831,111	1,623,032	1,609,372

FISH AND WILDLIFE SERVICE

The Service, consisting of two bureaus under the direction of the Commissioner of Fish and Wildlife, conducts research, management, and demonstration programs to conserve and restore the fish and wildlife resources for both recreational and commercial use. These activities are financed in part from annual appropriations and in part from appropriations of revenues which have been permanently earmarked for these purposes. The following table shows the Service's total obligational program by activity and sources of the funds used to finance these activities.

	1957 actual	1958 estimate	1959 estimate
DIRECT OBLIGATIONAL PROGRAM			
Bureau of Sport Fisheries and Wildlife:			
Management and investigation of resources:			
1. Management of fishery resources	$3,572,203	$3,884,000	$4,154,000
2. Extension and training	147,400	155,000	155,000
3. Fishery research	281,492	344,100	544,000
4. Administration of wildlife resources:			
(a) Operation and maintenance of refuges	4,799,517	5,603,850	5,857,000
(b) Management and enforcement	1,776,703	1,934,000	1,934,000
(c) Administration of Alaska game laws	489,354	505,375	504,625
5. Control of predatory animals and injurious rodents	1,751,863	1,812,000	1,812,000
6. Wildlife research	921,990	1,310,000	1,310,000
7. Soil and moisture conservation	138,098	195,000	195,000
8. River basin studies	690,870	968,000	968,000
Total	14,569,490	16,711,325	17,433,625
Construction:			
1. Fish facilities	690,458	2,650,000	1,650,280
2. Wildlife facilities:			
(a) Devils Kitchen Dam	241,332	1,450,000	1,485,034
(b) Other construction	785,834	2,811,650	1,347,000
(c) Land acquisition	854,252	1,600,000	1,600,000
Total	2,571,876	8,511,650	6,082,314
General administrative expenses:			
1. Departmental expenses	347,394	343,853	343,853
2. Regional office expenses	809,894	924,247	924,247
Total	1,157,288	1,268,100	1,268,100
Grants to States and local governments under permanent authorizations	28,149,564	24,373,601	24,535,000
Total direct obligations, Bureau of Sport Fisheries and Wildlife	46,448,218	50,864,676	49,319,039
Bureau of Commercial Fisheries:			
Management and investigation of resources:			
1. Management	80,207	115,100	135,100
2. Marketing and technology	3,366,052	3,802,820	3,778,250
3. Research	6,139,797	5,656,250	5,185,000
4. Research on fish migration over dams	162,517	253,000	273,000
5. Administration of Alaska fisheries	1,426,997	1,555,675	1,558,375
Total	11,175,570	11,382,845	10,929,725
Construction: Fishery facilities	33,216	1,303,766	800,000
General administrative expenses:			
1. Departmental expenses	256,850	280,800	280,800
2. Regional office expenses	264,369	200,800	198,100
Total	521,219	481,600	478,900
Administration of Pribilof Islands	1,301,923	1,816,500	1,816,500
Advisory committee expenses	10,202	15,000	15,000
Fishery loan fund	3,298,961	7,260,000	1,800,000
Total direct obligations, Bureau of Commercial Fisheries	16,341,091	22,259,711	15,840,125
Office of the Commissioner of Fish and Wildlife:			
Salaries and expenses:			
1. Departmental expenses	86,800	307,800	307,800
Total direct obligations, Office of the Commissioner	86,800	307,800	307,800
Total direct obligations, Fish and Wildlife Service	62,876,109	73,432,187	65,466,964
SOURCE OF FINANCING			
Bureau of Sport Fisheries and Wildlife:			
Management and investigation of resources:			
Definite	$10,453,658	$11,460,000	$11,508,000
Indefinite	296,369	379,375	454,625
Construction	936,725	5,447,000	4,482,314
General administrative expenses	613,200	714,100	714,100
Expenses for sale of refuge products	39,468	82,500	69,000
Federal aid in fish restoration	6,312,230	5,275,100	5,431,000
Federal aid in wildlife restoration	21,751,912	19,250,000	19,155,000
Management of national wildlife refuges	1,508,016	1,791,000	1,857,000
Migratory bird conservation account	3,965,335	5,855,000	5,048,000
Payment to counties of receipts under Migratory Bird Act	571,305	610,601	600,000
Total	46,448,218	50,864,676	49,319,039
Bureau of Commercial Fisheries:			
Management and investigation of resources:			
Definite	4,957,896	5,741,000	5,866,000
Indefinite	774,392	379,375	454,625
Construction	33,216	1,303,766	800,000
General administrative expenses	150,462	175,000	175,000
Administration of Pribilof Islands	1,301,923	1,816,500	1,816,500

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	1957 actual	1958 estimate	1959 estimate
SOURCE OF FINANCING—Continued			
Bureau of Commercial Fisheries—Con.			
Promote and develop fishery products and research pertaining to American fisheries	$5,824,241	$5,584,070	$4,928,000
Fishery loan fund	3,298,961	7,260,000	1,800,000
Total	16,341,091	22,259,711	15,840,125
Office of the Commissioner of Fish and Wildlife:			
Salaries and expenses	86,800	307,800	307,800
Total source of financing	62,876,109	73,432,187	65,466,964

Bureau of Sport Fisheries and Wildlife

Current authorizations:

MANAGEMENT AND INVESTIGATIONS OF RESOURCES

For expenses necessary for scientific and economic studies, conservation, management, investigation, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; operation of the industrial properties within the Crab Orchard National Wildlife Refuge (61 Stat. 770); maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; purchase or rent of land, and functions related to wildlife management in California (16 U. S. C. 695–695c); and leasing and management of lands for the protection of the Florida Key deer; [$12,000,000] *$11,508,000*; and, in addition, there are appropriated amounts equal to 12½ per centum of the proceeds covered into the Treasury during the next preceding fiscal year from the sale of sealskins and other products, for management and investigations of the sport fishery and wildlife resources of Alaska, including construction. (*5 U. S. C. 133t; 7 U. S. C. 426; 16 U. S. C. 581, 590a–590f, 661–666c, 667–668d, 671–674, 684–686, 690–691d, 701, 703–711, 715–715s, 718–718h, 721–731, 744–751, 755–757, 811, 851–856, 921; 18 U. S. C. 41–44; 43 U. S. C. 315k; 48 U. S. C. 192–211, 248–248b; Act of May 21, 1930, 46 Stat. 371; Act of July 16, 1952, 66 Stat. 736; Act of July 17, 1952, 19 U. S. C. 1001, par. 1518; Act of Aug. 7, 1956, 70 Stat. 1088; Act of Aug. 8, 1956, 70 Stat. 1119; Act of June 17, 1957, 71 Stat. 175; Act of Aug. 22, 1957, 71 Stat. 412; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$12,000,000** Estimate 1959, **$11,508,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Management of fishery resources	$3,572,203	$3,884,000	$4,154,000
2. Extension and training	147,400	155,000	155,000
3. Fishery research	257,151	319,000	444,000
4. Administration of wildlife resources	3,685,011	3,771,375	3,532,625
5. Control of predatory animals and injurious rodents	1,751,863	1,812,000	1,812,000
6. Wildlife research	656,424	920,000	887,000
7. Soil and moisture conservation	138,098	195,000	195,000
8. River basin studies	541,877	783,000	783,000
Total obligations	10,750,027	11,839,375	11,962,625
Financing:			
Comparative transfers from (—) other accounts	−10,750,027		
Unobligated balance no longer available		606,913	
Appropriation (new obligational authority):			
Definite		12,000,000	11,508,000
Indefinite		446,288	454,625

1. *Management of fishery resources.*—Eighty-eight fish-cultural stations are operated for the propagation of food and game fishes. This activity also covers administration of the Black Bass Act, encompassing shipments of all fishes across State boundaries.

2. *Extension and training.*—This activity covers (*a*) technical assistance to States and other public or private entities in the management of sport fishing and fish propagation; and (*b*) cooperative development, with the States, of fish-stocking programs for major public streams and lakes.

3. *Fishery research.*—Research is conducted to improve fish-cultural methods, and the management of fishery resources. Funds for this activity are supplemented by moneys from the permanent account, Federal aid in fish restoration and management. In 1957, these supplementary funds totaled $24,341. It is estimated they will amount to $25,100 in 1958 and $100,000 in 1959.

4. *Administration of wildlife resources.*—This activity covers (*a*) 270 refuges, consisting of approximately 18,000,000 acres, operated for the conservation of migratory waterfowl and the preservation and propagation of rare birds and mammals. Of these refuges, 3,500,000 acres are primarily for waterfowl. Funds for administration of the wildlife refuge program are supplemented by moneys appropriated under the permanent accounts for management of national wildlife refuges, and migratory bird conservation account. In 1957, these supplementary funds totaled $2,002,710. It is estimated they will amount to $2,703,350 in 1958 and $3,168,000 in 1959. (*b*) Enforcement of the Migratory Bird Treaty and Lacey Acts for protection of migratory birds and regulation of interstate and foreign shipments of game, funds for which are supplemented by moneys appropriated under the permanent accounts for management of national wildlife refuges, migratory bird conservation account, and Federal aid in wildlife restoration. In 1957, these supplementary funds totaled $948,454. It is estimated they will amount to $1,024,000 in 1958 and $1,064,000 in 1959. (*c*) Administration of the Alaska game law directed toward protection and rehabilitation of Alaskan sport fish and wildlife resources. Waterfowl management surveys are financed under the permanent accounts for migratory bird conservation account and Federal aid in wildlife restoration. In 1957, these funds totaled $389,931. It is estimated they will amount to $462,000 in 1958 and $462,000 in 1959.

5. *Control of predatory animals and injurious rodents.*—Predatory animals and injurious rodents are controlled on public lands. Technical information and supervision of cooperative programs are provided to protect livestock, game, poultry, forage crops, forests, structures, foods, and feeds from destruction by harmful animals.

6. *Wildlife research.*—Research is carried on in migratory wildlife and in wildlife management and conservation practices. Wildlife research units are also maintained in cooperation with Wildlife Management Institute and land-grant colleges in 15 States and Alaska to give technical training in wildlife management, carry on research, and demonstrate improved management practices. Funds for this activity are supplemented by moneys appropriated under the permanent accounts for Federal aid in wildlife restoration and migratory bird conservation account. In 1957, these supplementary funds totaled $265,566. It is estimated they will amount to $390,000 in 1958 and $423,000 in 1959.

7. *Soil and moisture conservation.*—Nearly 5.5 million acres in 63 refuges within the continental United States are critically eroded or severely depleted. A long-range conservation plan for a majority of these refuges is underway. Work is now being performed on 54 refuges.

8. *River basin studies.*—Studies are made of proposed Federal power, navigation, irrigation, and drainage projects, to insure measures are taken for the conservation and development of fish and wildlife.

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Current authorizations—Continued

MANAGEMENT AND INVESTIGATIONS OF RESOURCES—continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,328	1,422	1,437
Full-time equivalent of all other positions	214	218	215
Average number of all employees	1,418	1,555	1,582
Number of employees at end of year	1,860	1,900	2,092
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
Average salary of ungraded positions	$3,925	$4,014	$3,985
01 Personal services:			
Permanent positions	$5,710,293	$6,512,500	$6,716,925
Positions other than permanent	1,004,651	1,008,200	989,100
Other personal services	115,999	144,875	145,600
Total personal services	6,830,943	7,665,575	7,851,625
02 Travel	517,003	535,200	506,800
03 Transportation of things	92,095	83,800	83,800
04 Communication services	82,098	84,700	83,900
05 Rents and utility services	140,710	146,300	141,700
06 Printing and reproduction	47,378	39,900	43,400
07 Other contractual services	505,376	623,400	605,600
08 Supplies and materials	1,709,897	1,581,000	1,478,000
09 Equipment	599,255	476,700	418,100
10 Lands and structures	327,839	203,800	352,000
11 Grants, subsidies, and contributions	256	505,100	505,400
13 Refunds, awards, and indemnities	4,317	3,500	3,500
15 Taxes and assessments	17,314	18,000	17,400
Subtotal	10,874,481	11,966,975	12,091,225
Deduct quarters and subsistence charges	124,454	127,600	128,600
Total obligations	10,750,027	11,839,375	11,962,625

CONSTRUCTION

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein, [$5,677,000] *$1,458,000*, to remain available until expended [: *Provided*, That the funds appropriated herein for the continuation of the construction of the Devils Kitchen Dam on the Crab Orchard Wildlife Refuge, Illinois, shall be transferred to the Corps of Engineers, Department of the Army]. *(5 U. S. C. 133t; 16 U. S. C. 661–666c, 760, 921; Act of May 21, 1930, 46 Stat. 371; Act of Aug. 5, 1947, 61 Stat. 770; Act of July 18, 1950, 64 Stat. 343; Act of July 1, 1954, 68 Stat. 376; Act of June 4, 1956, 70 Stat. 247; Act of June 18, 1956, 70 Stat. 292; Act of July 26, 1956, 70 Stat. 668; Act of Aug. 1, 1956, 70 Stat. 897; Act of Aug. 3, 1956, 70 Stat. 1020; Act of Aug. 6, 1956, 70 Stat. 1057: Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$5,677,000** Estimate 1959, **$1,458,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sportfish facilities	$690,458	$2,650,000	$1,650,280
2. Wildlife facilities	246,267	2,797,000	2,832,034
Total obligations	936,725	5,447,000	4,482,314
Financing:			
Comparative transfers from (—) other accounts	−936,725		
Unobligated balance brought forward			−3,024,314
Unobligated balance transferred from "Construction," Fish and Wildlife Service (70 Stat. 1119)		−2,794,314	
Unobligated balance carried forward		3,024,314	
Appropriation (new obligational authority)		5,677,000	1,458,000

1. *Fish facilities.*—Projects proposed for 1959 consist of improvement of 5, completing construction of 2, continuation of construction of 2 hatcheries; for the installation and correction of fish-protective devices in Federal irrigation diversions; the construction of 1 research experiment station and alterations of the chemical-electrical fish-control laboratory.

2. *Wildlife facilities.*—Projects proposed consist of construction, development, and improvement of facilities on 15 wildlife refuges. Funds for acquisition of lands and construction on wildlife refuges are supplemented by moneys appropriated under permanent accounts for Federal aid in wildlife restoration, management of national wildlife refuges, and migratory bird conservation account. In 1957, these supplementary funds totaled $1,635,151. It is estimated they will amount to $3,064,650 in 1958 and $1,600,000 in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF SPORT FISHERIES AND WILDLIFE			
Total number of permanent positions	9	9	12
Full-time equivalent of all other positions	7	129	88
Average number of all employees	16	138	100
Number of employees at end of year	9	100	250
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
01 Personal services:			
Permanent positions	$49,915	$51,000	$66,600
Positions other than permanent	38,074	568,000	376,400
Other personal services	860	6,000	1,100
Total personal services	88,849	625,000	444,100
02 Travel	1,734	4,700	6,600
03 Transportation of things		8,600	5,300
04 Communication services		1,200	300
05 Rents and utility services		4,000	3,800
06 Printing and reproduction	664	3,000	1,000
07 Other contractual services	125,660	721,000	210,200
08 Supplies and materials	13,847	483,100	248,500
09 Equipment	4,748	101,000	15,100
10 Lands and structures	459,723	2,037,400	2,055,780
15 Taxes and assessments	168	8,000	6,600
Total, Bureau of Sport Fisheries and Wildlife	695,393	3,997,000	2,997,280
ALLOCATION TO CORPS OF ENGINEERS			
Total number of permanent positions	5	2	
Average number of all employees	5	2	
Number of employees at end of year	5	0	
Average GS grade and salary	7.1 $5,396	7.1 $5,419	
01 Personal services:			
Permanent positions	$22,129	$9,782	
Other personal services	186	218	
Total personal services	22,315	10,000	
02 Travel	9,514	5,000	$500
03 Transportation of things	213	100	
04 Communication services	54		
07 Other contractual services	69,983	5,000	5,000
Services performed by "Revolving fund," Corps of Engineers	77,952	131,950	114,434
08 Supplies and materials	1,301	500	500
10 Lands and structures	60,000	1,296,800	1,364,600
11 Grants, subsidies, and contributions		650	
Total, Corps of Engineers	241,332	1,450,000	1,485,034
Total obligations	936,725	5,447,000	4,482,314

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Sport Fisheries and Wildlife, including such expenses in the regional offices, [$166,190] *$714,100*. *(5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$166,190** Estimate 1959, **$714,100**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental expense	$188,900	$191,100	$191,100
2. Regional office expense	424,300	523,000	523,000
Total obligations	613,200	714,100	714,100
Financing:			
Comparative transfers from (—) other accounts	−613,200	−547,910	
Appropriation (new obligational authority)		166,190	714,100

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1. *Departmental expense.*—This expense is for general administration at headquarters in Washington, D. C.

2. *Regional office expense.*—This is for administrative expenses in the regional offices. Such expenses incidental to programs financed by permanent and indefinite appropriations are paid from those appropriations.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	115	99	99
Average number of all employees	104	98	97
Number of employees at end of year	98	90	99
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
01 Personal services:			
Permanent positions	$541,514	$555,250	$555,250
Positions other than permanent	554		
Other personal services	18,035	11,200	11,200
Total personal services	560,103	566,450	566,450
02 Travel	16,330	20,550	20,550
03 Transportation of things	1,190	850	850
04 Communication services	8,040	17,400	17,400
05 Rents and utility services	6,767	40,500	40,500
06 Printing and reproduction	1,321	1,450	1,450
07 Other contractual services	7,358	23,750	23,750
08 Supplies and materials	5,828	5,500	5,500
09 Equipment	5,020	1,400	1,400
10 Lands and structures	250		
11 Grants, subsidies, and contributions		36,250	36,250
13 Refunds, awards, and indemnities	758		
15 Taxes and assessments	235		
Total obligations	613,200	714,100	714,100

UPPER MISSISSIPPI RIVER WILDLIFE REFUGE

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$1,453	−$1,453	−$1,453
Unobligated balance carried forward	1,453	1,453	1,453
Appropriation (new obligational authority)			

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Research and development," Department of the Army.
"Construction and rehabilitation," Bureau of Reclamation.
"General investigations," Bureau of Reclamation.
"Range improvements," Bureau of Land Management.
"General investigations," rivers and harbors and flood control, Department of the Army.
"Flood control, Mississippi River and tributaries," rivers and harbors and flood control, Department of the Army.

Permanent authorizations:

EXPENSES FOR SALES, ETC., IN REFUGES, MIGRATORY BIRD CONSERVATION ACT

(Indefinite special account)

Appropriated (est.) 1958, **$87,000** Estimate 1959, **$69,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Expenses for sales (total obligations)	$39,468	$82,500	$69,000
Financing:			
Unobligated balance brought forward	−5,819	−10,532	−4,500
Unobligated balance carried forward	10,532	4,500	
Unobligated balance no longer available	5,819	10,532	4,500
Appropriation (new obligational authority)	50,000	87,000	69,000

Proceeds from sales of refuge products are used to pay expenses arising from such sales (16 U. S. C. 715s).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	6	11	12
Number of employees at end of year	5	10	10
01 Personal services:			
Positions other than permanent	$26,355	$45,350	$50,000
Other personal services	115		
Total personal services	26,470	45,350	50,000
02 Travel		200	200
03 Transportation of things	591	500	300
04 Communication services	63		
05 Rents and utility services	85	100	50
07 Other contractual services	3,621	15,000	2,500
08 Supplies and materials	6,027	14,350	14,450
09 Equipment	2,249	6,500	1,000
15 Taxes and assessments	362	500	500
Total obligations	39,468	82,500	69,000

FEDERAL AID IN FISH RESTORATION AND MANAGEMENT

(Receipt limitation)

Appropriated (est.) 1958, **$4,717,220** Estimate 1959, **$5,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments to States	$6,068,694	$5,000,000	$5,000,000
2. Administration	219,195	250,000	325,000
3. Research	24,341	25,100	106,000
Total obligations	6,312,230	5,275,100	5,431,000
Financing:			
Unobligated balance brought forward	−2,746,611	−1,584,299	−1,026,419
Unobligated balance carried forward	1,584,299	1,026,419	595,419
Appropriation (new obligational authority)	5,149,918	4,717,220	5,000,000

Assistance is given the 48 States, Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands by appropriation of funds equal to the revenue of the 10% excise tax on fishing rods, creels, reels, and artificial lures, baits, and flies (64 Stat. 430).

1. *Payments to States.*—These payments cover fish restoration and management projects, as well as research into fish culture; formulation of restocking plans; and acquisition, and improvement of areas adaptable as hatching, feeding, resting, or breeding places.

2. *Administration.*—State plans are examined, inspections of projects and audits of State expenditures are made.

3. *Research.*—Funds apportioned but not expended by the States within 2 years are used to supplement moneys appropriated to Bureau of Sport Fisheries and Wildlife under the appropriation for management and investigations of resources, for research on fish of material value for sport and recreation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	38	38	53
Full-time equivalent of all other positions	6	6	6
Average number of all employees	42	41	54
Number of employees at end of year	39	37	68
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
01 Personal services:			
Permanent positions	$206,957	$198,600	$261,100
Positions other than permanent	28,313	27,500	31,900
Other personal services	9,376	9,100	9,400
Total personal services	244,646	235,200	302,400
02 Travel	18,278	25,800	37,800
03 Transportation of things	656	300	400
04 Communication services	3,394	5,000	5,075
05 Rents and utility services	191	200	400
06 Printing and reproduction	9,552	6,200	10,300
07 Other contractual services	11,847	30,200	85,300

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Permanent authorizations—Continued

FEDERAL AID IN FISH RESTORATION AND MANAGEMENT—continued

(Receipt limitation)—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$14,603	$10,400	$17,900
09 Equipment	3,804	7,200	12,500
10 Lands and structures	150		
11 Grants, subsidies, and contributions	6,004,894	4,954,375	4,958,475
13 Refunds, awards, and indemnities	215		
15 Taxes and assessments		225	450
Total obligations	6,312,230	5,275,100	5,431,000

FEDERAL AID IN WILDLIFE RESTORATION

(Indefinite special account)

Appropriated (est.) 1958, **$17,842,673** Estimated 1959, **$16,055,550**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments to States	$20,846,623	$18,000,000	$18,000,000
2. Administration	601,442	653,000	750,000
3. Carrying out Migratory Bird Conservation Act	303,847	597,000	405,000
Total obligations	21,751,912	19,250,000	19,155,000
Financing:			
Unobligated balance brought forward	−10,472,863	−5,716,445	−4,309,118
Unobligated balance carried forward	5,716,445	4,309,118	1,209,668
Appropriation (new obligational authority)	16,995,494	17,842,673	16,055,550

Assistance is given the 48 States, Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands by appropriation of funds equal to the tax revenue from firearm, shell, and cartridge manufacture (16 U. S. C. 669–669j).

1. *Payments to States.*—These payments cover wildlife restoration projects, construction necessary to make land or water areas available for such projects, and for wildlife management research necessary for efficient administration.

2. *Administration.*—State plans are examined, inspections of projects and audits of State expenditures are made.

3. *Carrying out Migratory Bird Conservation Act.*—Funds apportioned but not expended by the States within 2 fiscal years are available to carry out the provisions of the Migratory Bird Conservation Act and supplement moneys appropriated to Bureau of Sport Fisheries and Wildlife for this purpose under the appropriation for management and investigations of resources.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	126	144	147
Full-time equivalent of all other positions	8	6	6
Average number of all employees	118	129	133
Number of employees at end of year	107	115	162
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
01 Personal services:			
Permanent positions	$644,456	$711,500	$769,000
Positions other than permanent	44,036	35,400	36,700
Other personal services	15,579	18,000	18,800
Total personal services	704,071	764,900	824,500
02 Travel	90,391	111,500	119,350
03 Transportation of things	3,734	5,500	4,400
04 Communication services	10,255	19,800	18,500
05 Rents and utility services	3,605	600	1,600

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
06 Printing and reproduction	$15,104	$14,350	$14,800
07 Other contractual services	25,553	84,800	110,800
08 Supplies and materials	93,363	52,200	56,300
09 Equipment	28,210	23,300	25,800
10 Lands and structures	300	200,200	300
11 Grants, subsidies, and contributions	20,777,523	17,972,750	17,978,750
13 Refunds, awards, and indemnities	235	300	
15 Taxes and assessments	361	600	700
Subtotal	21,752,705	19,250,800	19,155,800
Deduct quarters and subsistence charges	793	800	800
Total obligations	21,751,912	19,250,000	19,155,000

MANAGEMENT OF NATIONAL WILDLIFE REFUGES

(Indefinite special account)

Appropriated (est.) 1958, **$1,831,805** Estimate 1959, **$1,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Development and maintenance of wildlife refuges	$1,189,834	$1,444,000	$1,524,000
2. Enforcement activities	318,182	347,000	333,000
Total obligations	1,508,016	1,791,000	1,857,000
Financing:			
Unobligated balance brought forward	−37,527	−243,425	−284,230
Unobligated balance carried forward	243,425	284,230	227,230
Appropriation (new obligational authority)	1,713,914	1,831,805	1,800,000

Seventy-five percent of the net proceeds from the sale of wildlife-refuge products is appropriated for the activities below, the remainder being paid to the counties in which the refuges are located (16 U. S. C. 715s).

1. *Development and maintenance of wildlife refuges.*—These funds are used to supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for wildlife refuges under the appropriation for management and investigations of resources.

2. *Enforcement activities.*—These funds are used to supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for enforcing the Migratory Bird Treaty and Lacey Acts under the appropriation for management and investigations of resources.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	57	57	57
Full-time equivalent of all other positions	80	95	76
Average number of all employees	134	150	131
Number of employees at end of year	195	200	267
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
01 Personal services:			
Permanent positions	$299,619	$307,600	$313,100
Positions other than permanent	320,505	390,600	320,600
Other personal services	9,427	11,600	1,600
Total personal services	629,551	709,800	635,300
02 Travel	56,567	56,000	81,000
03 Transportation of things	12,326	11,900	33,400
04 Communication services	14,830	18,900	42,700
05 Rents and utility services	18,512	16,900	56,900
06 Printing and reproduction	8,765	11,900	13,400
07 Other contractual services	189,331	191,900	241,200
08 Supplies and materials	273,431	238,300	484,500
09 Equipment	196,594	236,000	241,000
10 Lands and structures	104,148	275,000	
11 Grants, subsidies, and contributions		20,000	20,200
13 Refunds, awards, and indemnities	2,253	2,000	2,000
15 Taxes and assessments	2,921	3,000	6,000
Subtotal	1,509,229	1,791,600	1,857,600
Deduct quarters and subsistence charges	1,213	600	600
Total obligations	1,508,016	1,791,000	1,857,000

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MIGRATORY BIRD CONSERVATION ACCOUNT

(Receipt limitation)

Appropriated (est.) 1958, **$4,500,000** Estimate 1959, **$4,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts	$686,472	$731,000	$751,000
2. Acquisition, development, and maintenance of migratory bird refuges	3,278,863	5,124,000	4,297,000
Total obligations	3,965,335	5,855,000	5,048,000
Financing:			
Unobligated balance brought forward	−3,440,741	−4,091,007	−2,736,007
Unobligated balance carried forward	4,091,007	2,736,007	2,188,007
Appropriation (new obligational authority)	4,615,601	4,500,000	4,500,000

Receipts from the sale of Federal hunting stamps are set aside in the migratory bird conservation fund (16 U. S. C. 718–718l).

1. *Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts.*—Fifteen percent of the fund is used for enforcing these acts and to pay the Post Office Department for supplying and accounting for the stamps. Funds used for enforcement supplement moneys appropriated to Bureau of Sport Fisheries and Wildlife for the same purpose under the appropriation for management and investigations of resources.

2. *Acquisition, development, and maintenance of migratory bird refuges.*—Eighty-five percent of the fund is used for acquisition, construction, and management of migratory waterfowl refuges and investigations of migratory birds. These funds supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for these purposes.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	394	433	449
Full-time equivalent of all other positions	38	77	30
Average number of all employees	400	460	436
Number of employees at end of year	560	587	573
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
Average salary of ungraded positions	$3,925	$4,014	$3,985
01 Personal services:			
Permanent positions	$1,884,825	$2,040,590	$2,185,590
Positions other than permanent	167,569	321,300	143,100
Other personal services	3,839	13,500	21,700
Total personal services	2,056,233	2,375,390	2,350,390
02 Travel	162,634	206,000	193,800
03 Transportation of things	24,309	30,000	19,800
04 Communication services	53,154	54,400	50,400
05 Rents and utility services	27,185	55,910	54,010
06 Printing and reproduction	18,502	22,700	23,500
07 Other contractual services	424,971	550,300	430,800
08 Supplies and materials	335,528	706,000	265,500
09 Equipment	177,912	334,200	201,600
10 Lands and structures	702,727	1,406,000	1,337,000
11 Grants, subsidies, and contributions		126,300	138,000
13 Refunds, awards, and indemnities	669	700	600
15 Taxes and assessments	5,766	5,700	2,100
Subtotal	3,989,590	5,873,600	5,067,500
Deduct quarters and subsistence charges	24,255	18,600	19,500
Total obligations	3,965,335	5,855,000	5,048,000

PAYMENTS TO COUNTIES FROM RECEIPTS UNDER MIGRATORY BIRD CONSERVATION ACT

Appropriated (est.) 1958, **$610,601** Estimate 1959, **$600,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payments to counties (total obligations)	$571,305	$610,601	$600,000
Financing:			
Appropriation (new obligational authority)	571,305	610,601	600,000

Twenty-five percent of the net proceeds from sales of refuge products are paid to counties in which the refuges are located for the benefit of public schools and roads (16 U. S. C. 715s).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$571,305	$610,601	$600,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Replacement of personal property sold	$116,653	$120,000	$120,000
2. Miscellaneous services to other accounts	445,035	568,760	645,750
Total obligations	561,688	688,760	765,750
Financing:			
Unobligated balance brought forward	877	27,760	
Advances and reimbursements from—			
Other accounts	471,918	541,000	645,750
Non-Federal sources (40 U. S. C. 481 (c))	116,653	120,000	120,000
Unobligated balance carried forward	−27,760		
Total financing	561,688	688,760	765,750

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	46	68	87
Full-time equivalent of all other positions	3	5	8
Average number of all employees	54	81	89
Number of employees at end of year	28	30	107
Average GS grade and salary	6.9 $5,106	7.2 $5,198	7.2 $5,216
Average salary of ungraded positions	$3,925	$4,014	$3,985
01 Personal services:			
Permanent positions	$238,575	$327,650	$419,650
Positions other than permanent	10,116	31,000	29,850
Other personal services	1,049	1,350	1,600
Total personal services	249,740	360,000	451,100
02 Travel	43,084	77,000	88,700
03 Transportation of things	798	5,000	6,000
04 Communication services	6,537	3,800	3,500
05 Rents and utility services	2,989	7,055	4,000
06 Printing and reproduction	864	1,400	900
07 Other contractual services	86,843	60,200	39,000
08 Supplies and materials	39,419	29,500	21,500
09 Equipment	127,894	125,800	126,000
11 Grants, subsidies, and contributions		19,000	25,050
13 Refunds, awards, and indemnities	3,514		
15 Taxes and assessments	6	5	
Total obligations	561,688	688,760	765,750

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES

Current authorizations:

MANAGEMENT AND INVESTIGATIONS OF RESOURCES

For expenses necessary for scientific and economic studies, conservation, management, investigation, protection, and utilization of commercial fishery resources, including whales, sea lions, and related aquatic plants and products; collection, compilation, and publication of information concerning such resources; promotion of education and training of fishery personnel; and the performance of other functions related thereto, as authorized by law; [$5,781,000] *$5,866,000*; and, in addition, there are appropriated amounts equal to 12½ per centum of the proceeds covered into the Treasury during the next preceding fiscal year from the sale of sealskins and other products, for management and investigations of the commercial fishery resources of Alaska, including construction. *(5 U. S. C. 133t; 15 U. S. C. 521–522; 16 U. S. C. 631i, 659, 661–666c, 667–668d, 721–731, 744–751, 755–759, 760a–760b, 772–772i, 776–776f, 781–785, 916–916l, 921, 951–961, 981–991; 48 U. S. C. 220–247; Act of May 21, 1930, 46 Stat. 371; Act of May 19, 1949, 63 Stat. 70; Act of Aug. 19, 1950, 64 Stat. 467; Act of July 1, 1954, 68 Stat. 376; Act of Aug. 12, 1954, 68 Stat. 698; Act of Aug. 8, 1956, 70 Stat. 1119; Act of Aug. 8, 1956, 70 Stat. 1126; Act of July 11, 1957, 71 Stat. 293; Act of July 24, 1957, 71 Stat. 310; Act of Sept. 4, 1957, 71 Stat. 617; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$5,781,000** Estimate 1959, **$5,866,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Management	$80,207	$115,100	$135,100
2. Marketing and technology	1,146,828	1,197,000	1,312,250
3. Research	2,859,835	2,963,000	3,008,000
4. Research on fish migration over dams	162,517	253,000	273,000
5. Administration of Alaska Fisheries	1,482,901	1,592,275	1,592,275
Total obligations	5,732,288	6,120,375	6,320,625
Financing:			
Comparative transfers from (−) other accounts	−5,732,288		
Unobligated balance transferred from "Management of resources," Fish and Wildlife Service (70 Stat. 1119)		−17,731	
Unobligated balance no longer available		124,644	
Appropriation (new obligational authority):			
Definite		5,781,000	5,866,000
Indefinite		446,288	454,625

1. *Management.*—This activity covers enforcement of international agreements pertaining to fish and whales.

2. *Marketing and technology.*—This includes (*a*) disseminating economic data on the fishing industry, including business trends and foreign trade; (*b*) exploring for fish and improving fishing gear and methods; (*c*) operation of market news offices; (*d*) publishing commercial fishery statistics; and (*e*) developing more efficient means of handling, processing, storing, and marketing fishery products. Funds for this activity are supplemented by moneys appropriated under the permanent account, promote and develop fishery products and research pertaining to American fisheries. In 1957, these supplementary funds totaled $2,219,224. It is estimated they will amount to $2,605,820 in 1958 and $2,466,000 in 1959.

3. *Research.*—Research is conducted (*a*) to learn more about variations in abundance of important commercial food fishes and other aquatic animals; (*b*) to discover declining species and better measures for conserving, developing, and managing fishery resources; (*c*) to improve cultivation of aquatic animals, including shellfish; and (*d*) in the design of fish protective devices. Funds for this activity are supplemented by moneys appropriated under the permanent account, promote and develop fishery products and research pertaining to American fisheries. In 1957, these supplementary funds totaled $3,279,962. It is estimated they will amount to $2,693,250 in 1958 and $2,177,000 in 1959.

4. *Research on fish migration over dams.*—Investigations are conducted to determine factors influencing direction and rate of movement of anadromous fish over dams, so that these factors may be considered in designing future dams.

5. *Administration of Alaska fisheries.*—This activity covers administration of Alaska fisheries. Twelve and one-half percent of the receipts from sales of fur sealskins and other products are used to supplement the annual definite appropriation for management and investigations of the commercial fishery resources of Alaska, including construction.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	629	624	613
Full-time equivalent of all other positions	113	115	111
Average number of all employees	671	684	690
Number of employees at end of year	778	790	800
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
Average salary of ungraded positions	$3,869	$4,130	$4,075
01 Personal services:			
Permanent positions	$2,905,746	$3,090,200	$3,164,869
Positions other than permanent	553,521	561,300	549,025
Other personal services	143,091	160,300	157,206
Total personal services	3,602,358	3,811,800	3,871,100
02 Travel	256,852	270,100	267,900
03 Transportation of things	62,686	61,500	61,300
04 Communication services	100,556	99,400	106,700
05 Rents and utility services	66,848	64,700	68,600
06 Printing and reproduction	72,673	70,200	67,900
07 Other contractual services	696,400	708,600	806,400
08 Supplies and materials	720,036	661,000	698,600
09 Equipment	148,044	156,800	144,900
10 Lands and structures	4,364	5,800	6,500
11 Grants, subsidies, and contributions		201,600	210,900
13 Refunds, awards, and indemnities	225	200	200
15 Taxes and assessments	6,755	15,500	16,500
Subtotal	5,737,797	6,127,200	6,327,500
Deduct quarters and subsistence charges	5,509	6,825	6,875
Total obligations	5,732,288	6,120,375	6,320,625

CONSTRUCTION

For construction and acquisition of buildings and other facilities required for the conservation, management, investigation, protection, and utilization of commercial fishery resources and the acquisition of lands and interests therein, [$700,000] *$500,000*, to remain available until expended. *(5 U. S. C. 133t; 16 U. S. C. 661–666c, 755–757, 921; Act of May 21, 1930, 46 Stat. 371; Act of July 1, 1954, 68 Stat. 376; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$700,000** Estimate 1959, **$500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Fishery facilities (total obligations)	$33,216	$1,303,766	$800,000
Financing:			
Comparative transfers from (−) other accounts	−33,216		
Unobligated balance transferred from "Construction," Fish and Wildlife Service (70 Stat. 1119)		−903,766	
Unobligated balance brought forward			−300,000
Unobligated balance carried forward		300,000	
Appropriation (new obligational authority)		700,000	500,000

Projects proposed for 1959 include construction of facilities at King Salmon, Alaska, and in the Chesapeake Bay area; improvements and repairs to buildings and grounds at Boothbay Harbor, Maine, and the procurement of easements for the construction of water-control structures at Mill Creek, Calif.; and for the transfer of facilities at Galveston, Tex., from the Army.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2	2	2
Full-time equivalent of all other positions		9	15
Average number of all employees	1	11	17
Number of employees at end of year	0	10	20
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
01 Personal services:			
Permanent positions	$7,466	$12,800	$12,800
Positions other than permanent	7	45,750	93,650
Other personal services		50	50
Total personal services	7,473	58,600	106,500
02 Travel	727		
03 Transportation of things	12		
04 Communication services	567		
07 Other contractual services	4,443		
08 Supplies and materials			40,000
09 Equipment		32,000	41,500
10 Lands and structures	19,993	1,213,166	612,000
15 Taxes and assessments	1		
Total obligations	33,216	1,303,766	800,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Commercial Fisheries, including such expenses in the regional offices, [$117,510] *$175,000. (5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$117,510** Estimate 1959, **$175,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental expense	$79,308	$81,900	$81,900
2. Regional office expense	71,154	93,100	93,100
Total obligations	150,462	175,000	175,000
Financing:			
Comparative transfers from (−) other accounts	−150,462	−57,490	
Appropriation (new obligational authority)		117,510	175,000

1. *Departmental expense.*—This expense is for general administration at the Bureau headquarters, Washington, D. C.

2. *Regional office expense.*—This is for administrative expenses in the regional offices. Such expense incidental to programs financed by permanent and indefinite appropriations is paid from those appropriations.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	15	17	17
Average number of all employees	14	16	16
Number of employees at end of year	15	16	16
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
01 Personal services:			
Permanent positions	$115,000	$126,050	$126,250
Other personal services		4,450	4,450
Total personal services	115,000	130,500	130,700
02 Travel	10,897	7,500	7,500
03 Transportation of things	794	700	700
04 Communication services	5,532	7,500	7,500
05 Rents and utility services	4,516	9,700	9,700
06 Printing and reproduction	881	2,500	2,500
07 Other contractual services	4,898	3,000	2,800
08 Supplies and materials	3,889	5,200	5,200
09 Equipment	3,349		
11 Grants, subsidies, and contributions		8,400	8,400
13 Refunds, awards, and indemnities	506		
15 Taxes and assessments	200		
Total obligations	150,462	175,000	175,000

ADMINISTRATION OF PRIBILOF ISLANDS

(Receipt limitation, indefinite)

For carrying out the provisions of the Act of February 26, 1944, as amended (16 U. S. C. 631a–631q), there are appropriated amounts equal to 60 per centum of the proceeds covered into the Treasury during the next preceding fiscal year from the sale of sealskins and other products, to remain available for expenditure during the current and next succeeding fiscal years. *(5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$2,142,184** Estimate 1959, **$2,182,200**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration of Pribilof Islands (total obligations)	$1,301,923	$1,816,500	$1,816,500
Financing:			
Unobligated balance brought forward	−167,387	−721,169	−546,853
Unobligated balance carried forward	721,169	546,853	412,553
Unobligated balance no longer available	1,000,000	500,000	500,000
Appropriation (new obligational authority)	2,855,705	2,142,184	2,182,200

Part of the proceeds from sales of fur sealskins and other wildlife products of the Pribilof Islands is used for (*a*) management of the Alaska fur-seal herd and protection of walruses and sea lions; (*b*) furnishing schooling, medical attention, and other community services to some 600 natives of the island; (*c*) operation of a byproducts plant for utilizing fur-seal carcasses; (*d*) maintenance of buildings and roads; and (*e*) maintenance and operation of a supply vessel.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	228	235	235
Full-time equivalent of all other positions	30	35	35
Average number of all employees	237	255	255
Number of employees at end of year	239	260	260
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
Average salary of ungraded positions	$3,869	$4,130	$4,075
01 Personal services:			
Permanent positions	$614,166	$722,900	$725,900
Positions other than permanent	130,329	139,200	140,000
Other personal services	78,207	72,700	75,000
Total personal services	822,702	934,800	940,900
02 Travel	10,056	12,900	12,900
03 Transportation of things	35,835	60,200	60,000
04 Communication services	1,884	2,100	2,100
05 Rents and utility services	10,200	10,700	9,200
06 Printing and reproduction	1,506	1,600	1,500
07 Other contractual services	171,475	429,700	285,800
08 Supplies and materials	385,880	466,000	462,500
09 Equipment	15,918	18,200	14,200
10 Lands and structures			149,000
11 Grants, subsidies, and contributions		38,000	38,500
13 Refunds, awards, and indemnities	250		
15 Taxes and assessments	3,077	900	900
Subtotal	1,458,783	1,975,100	1,977,500
Deduct quarters and subsistence charges	156,860	158,600	161,000
Total obligations	1,301,923	1,816,500	1,816,500

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:

"Construction, general," rivers and harbors and flood control, Department of the Army.

"Operation and maintenance, general," rivers and harbors and flood control, Department of the Army.

"Operating expenses," Atomic Energy Commission.

"Passamaquoddy tidal power survey," Department of State.

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Permanent authorizations:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(Indefinite)

Appropriated (est.) 1958, **$4,651,151** Estimate 1959, **$4,650,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Marketing and technology	$2,219,224	$2,605,820	$2,466,000
2. Research	3,279,962	2,693,250	2,177,000
3. General administrative services	325,055	285,000	285,000
Total obligations	5,824,241	5,584,070	4,928,000
Financing:			
Unobligated balance brought forward	−2,676,511	−1,211,385	−278,466
Unobligated balance carried forward	1,211,385	278,466	466
New obligational authority	4,359,115	4,651,151	4,650,000
New obligational authority:			
Transfer from "Removal of surplus agricultural commodities" (68 Stat 376)	$4,359,115	$4,651,151	$4,650,000
Appropriation (adjusted)	4,359,115	4,651,151	4,650,000

An amount equal to 30% of the gross receipts from customs duties on fishery products is appropriated for—

1. *Marketing and technology.*—These funds supplement moneys appropriated to Bureau of Commercial Fisheries for the same purpose under the appropriation for management and investigations of resources.

2. *Research.*—These funds supplement moneys appropriated for the same purpose under the appropriation for management and investigations of resources.

3. *General administrative services.*—These funds cover general administrative expenses, including the expenses of the American Fisheries Advisory Committee (68 Stat. 376).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	435	531	535
Full-time equivalent of all other employees	40	39	36
Average number of all employees	407	486	513
Number of employees at end of year	575	668	709
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
01 Personal services:			
Permanent positions	$1,725,636	$2,221,700	$2,424,725
Positions other than permanent	189,280	210,200	190,800
Other personal services	28,269	39,900	41,175
Total personal services	1,943,185	2,471,800	2,656,700
02 Travel	186,002	266,200	207,000
03 Transportation of things	49,793	49,100	39,100
04 Communication services	46,529	59,000	52,900
05 Rents and utility services	40,104	34,200	32,300
06 Printing and reproduction	76,210	99,100	59,200
07 Other contractual services	2,489,035	1,591,800	1,021,450
08 Supplies and materials	592,159	638,500	556,600
09 Equipment	376,595	204,300	133,800
10 Lands and structures	15,772	19,200	10,550
11 Grants, subsidies, and contributions	1,168	145,000	152,700
13 Refunds, awards, and indemnities	300		
15 Taxes and assessments	8,096	6,600	6,400
Subtotal	5,824,948	5,584,800	4,928,700
Deduct quarters and subsistence charges	707	730	700
Total obligations	5,824,241	5,584,070	4,928,000

Public enterprise funds:

FISHERIES LOAN FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Fisheries loan commitments	$3,229,088	$6,947,000	$1,437,000
Administrative expenses	69,873	313,000	363,000
Total program (obligations)	3,298,961	7,260,000	1,800,000
Financing:			
Amounts becoming available:			
Appropriation	10,000,000		
Collection of loans	18,478	670,000	1,055,950
Interest on loans	8,760	263,000	508,750
Total amounts becoming available	10,027,238	933,000	1,564,700
Unobligated balance brought forward		6,728,277	401,277
Total amounts available	10,027,238	7,661,277	1,965,977
Unobligated balance carried forward	−6,728,277	−401,277	−165,977
Financing applied to program	3,298,961	7,260,000	1,800,000

This fund is used for making loans to segments of the fishing industry unable to obtain commercial loans on reasonable terms for financing and refinancing operations, maintenance, replacement, repair, and equipment of fishing gear and vessels, and for research into basic problems of fisheries (Fish and Wildlife Act of 1956, 70 Stat. 1119).

Budget program.—The increase in administrative expenses is due to a slight increase in workload in servicing the outstanding loans.

Financing.—The program is financed from a non-interest-bearing appropriation of $10 million made in 1957, and from repayments and interest on outstanding loans.

Operating results.—The deficit is expected to be eliminated by future interest earnings.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loans made	$1,337,452	$8,838,636	$1,400,000
Administrative expenses	69,873	313,000	363,000
Increase in selected working capital		50,174	56,550
Total gross expenditures	1,407,325	9,201,810	1,819,550
Receipts from operations (funds provided):			
Loan repayments	18,478	670,000	1,055,950
Revenue	8,760	263,000	508,750
Decrease in selected working capital	4,474		
Total receipts from operations	31,712	933,000	1,564,700
Budget expenditures	1,375,613	8,268,810	254,850

Revenue Expense and Deficit (−)

Revenue	$8,760	$263.000	$508,750
Expense	93,947	438,926	408,000
Net income or loss (−) for the year	−85,187	−175,926	100,750
Deficit (−), beginning of year		−85,187	−261,113
Deficit, end of year	−85,187	−261,113	−160,363

Financial Condition

Assets:			
Cash with Treasury and in banks	$8,624,387	$355,577	$100,727
Accounts receivable	6,298	65,700	127,250
Loans receivable	1,294,900	9,337,610	9,636,660
Total assets	9,925,585	9,758,887	9,864,637
Liabilities:			
Current	10,772	20,000	25,000

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Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Government investment:			
Non-interest-bearing capital:			
Start of year		$10,000,000	$10,000,000
Appropriation during year	$10,000,000		
End of year	10,000,000	10,000,000	10,000,000
Deficit (−)	−85,187	−261,113	−160,363
Total Government investment	9,914,813	9,738,887	9,839,637

Status of Certain Fund Balances

Unexpended balance: Cash	$8,624,387	$355,577	$100,727
Obligated balance, net:			
Current liabilities	10,772	20,000	25,000
Undisbursed loan obligations	1,891,636		37,000
Accounts receivable, net (−)	−6,298	−65,700	−127,250
Total obligated balance	1,896,110	−45,700	−65,250
Unobligated balance	6,728,277	401,277	165,977

LIMITATION ON ADMINISTRATIVE EXPENSES, FISHERIES LOAN FUND

During the current fiscal year not to exceed [$313,000] *$363,000* of the fisheries loan fund shall be available for expenses of administering such fund. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administrative expenses (total obligations)	$69,873	$313,000	$363,000
Financing:			
Unobligated balance no longer available	180,127		
Limitation	250,000	313,000	363,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF COMMERCIAL FISHERIES			
Total number of permanent positions	8	15	14
Average number of all employees	3	14	14
Number of employees at end of year	12	12	10
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
01 Personal services:			
Permanent positions	$18,822	$81,500	$83,000
Positions other than permanent	588	500	500
Other personal services		300	400
Total personal services	19,410	82,300	83,900
02 Travel	6,975	30,000	35,000
03 Transportation of things	18	2,000	2,000
04 Communication services	1,964	10,000	10,000
05 Rents and utility services	137	4,000	4,000
06 Printing and reproduction	1,113	5,000	5,000
07 Other contractual services	1,222	34,300	37,600
08 Supplies and materials	4,783	10,000	10,000
09 Equipment	5,394	10,000	10,000
11 Grants, subsidies, and contributions		5,400	5,500
15 Taxes and assessments	12		
Total, Bureau of Commercial Fisheries	41,028	193,000	203,000
ALLOCATION TO SMALL BUSINESS ADMINISTRATION			
Total number of permanent positions	10	16	21
Average number of all employees	4	15	20
Number of employees at end of year	10	16	21
Average GS grade and salary	7.7 $5,819	7.8 $5,669	8.0 $5,655
01 Personal services:			
Permanent positions	$23,928	$84,650	$112,075
Other personal services	126	850	725
Total personal services	24,054	85,500	112,800
02 Travel	2,222	15,000	20,000
03 Transportation of things		500	500
04 Communication services	344	2,000	2,500
06 Printing and reproduction	105	500	700
07 Other contractual services	2,120	10,000	15,000
08 Supplies and materials		1,000	1,200
11 Grants, subsidies, and contributions		5,500	7,300
Total, Small Business Administration	28,845	120,000	160,000
Total obligations	69,873	313,000	363,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Replacement of personal property sold	$3,935	$4,000	$4,000
2. Miscellaneous services to other accounts	194,464	278,909	278,055
Total obligations	198,449	282,909	282,055
Financing:			
Unobligated balance brought forward	3,496	515	
Advances and reimbursements from—			
Other accounts	178,972	265,394	265,055
Non-Federal sources (40 U. S. C. 481 (c) and 58 Stat. 104)	16,835	17,000	17,000
Unobligated balance carried forward	−515		
Unobligated balance no longer available	−339		
Total financing	198,449	282,909	282,055

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	18	30	29
Full-time equivalent of all other positions	1	3	3
Average number of all employees	25	31	27
Number of employees at end of year	22	28	25
Average GS grade and salary	7.0 $5,063	7.4 $5,274	7.4 $5,258
Average salary of ungraded positions	$3,869	$4,130	$4,075
01 Personal services:			
Permanent positions	$124,291	$158,000	$139,700
Positions other than permanent	4,673	12,900	12,900
Other personal services	580	300	300
Total personal services	129,544	171,200	152,900
02 Travel	8,125	7,500	7,500
03 Transportation of things	13,356	14,300	14,300
04 Communication services	688	100	100
05 Rents and utility services	2,375	2,000	2,000
06 Printing and reproduction	203	300	300
07 Other contractual services	11,945	17,100	17,100
08 Supplies and materials	27,146	52,300	69,755
09 Equipment	4,886	8,909	8,900
11 Grants, subsidies, and contributions		9,000	9,000
15 Taxes and assessments	181	200	200
Total obligations	198,449	282,909	282,055

OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Commissioner, [$913,200] *$307,800.* (*5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$913,200** Estimate 1959, **$307,800**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Departmental expense (total obligations)	$86,800	$307,800	$307,800
Financing:			
Comparative transfers from (−) or to other accounts	−86,800	605,400	
Appropriation (new obligational authority)		913,200	307,800

This expense is for executive direction and coordination at headquarters in Washington, D. C. Administrative services formerly financed by this account are now financed under the general administrative expenses appropriations of the two bureaus.

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FISH AND WILDLIFE SERVICE—Continued

OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—continued

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	17	36	36
	Full-time equivalent of all other positions			
	Average number of all employees	12	36	36
	Number of employees at end of year	17	35	35
	Average GS grade and salary	8.5 $6,636	9.0 $6,864	9.0 $6,943
01	Personal services:			
	Permanent positions	$73,438	$246,700	$246,700
	Positions other than permanent	3,205		
	Other personal services	57	900	900
	Total personal services	76,700	247,600	247,600
02	Travel	3,128	16,050	16,050
03	Transportation of things	227	1,000	1,000
04	Communication services	1,586	6,000	6,000
05	Rents and utility services	1,295		
06	Printing and reproduction	253	5,500	5,500
07	Other contractual services	1,389	7,200	7,200
08	Supplies and materials	1,115	4,500	4,500
09	Equipment	961	3,500	3,500
11	Grants, subsidies, and contributions		16,450	16,450
13	Refunds, awards, and indemnities	146		
	Total obligations	86,800	307,800	307,800

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Fish and Wildlife Service shall be available for purchase of not to exceed one hundred and [fourteen] *six* passenger motor vehicles *of which ninety-six shall be* for replacement only; purchase of not to exceed [six] *nine* aircraft for replacement only; not to exceed $30,000 for payment, in the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Fish and Wildlife Service; publication and distribution of bulletins as authorized by law (7 U. S. C. 417); rations or commutation of rations for officers and crews of vessels at rates not to exceed $3 per man per day; repair of damage to public roads within and adjacent to reservation areas caused by operations of the Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are not inconsistent with their primary purposes; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

MANAGEMENT OF RESOURCES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$11,399,560		
Unobligated balance brought forward	−17,087	−$17,731	
Unobligated balance transferred to "Management and investigations of resources," Bureau of Commercial Fisheries (70 Stat. 1119)		17,731	
Unobligated balance carried forward	17,731		
Unobligated balance no longer available	163,273		
Appropriation (new obligational authority):			
Definite	10,373,600		
Indefinite	1,189,877		

INVESTIGATIONS OF RESOURCES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$5,082,755		
Unobligated balance no longer available	22,245		
Appropriation (new obligational authority)	5,105,000		

CONSTRUCTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$969,941		
Unobligated balance brought forward	−1,137,021	−$3,698,080	
Unobligated balance transferred to—			
"Construction," Bureau of Sport Fisheries and Wildlife (70 Stat. 1119)		2,794,314	
"Construction," Bureau of Commercial Fisheries (70 Stat. 1119)		903,766	
Unobligated balance carried forward	3,698,080		
Appropriation (new obligational authority)	3,531,000		

GENERAL ADMINISTRATIVE EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$850,462		
Unobligated balance no longer available	2,038		
Appropriation (new obligational authority)	852,500		

OFFICE OF TERRITORIES

The Office promotes economic and political development in territorial trusteeship areas under United States jurisdiction. It formulates Federal policy, coordinates operating programs, provides information and advice, and participates in foreign policy matters concerning the Territories. In addition, the Office represents the governors in Washington; supervises the Alaska Railroad, and public works in Alaska and the Virgin Islands; and assists the Virgin Islands Corporation.

Current authorizations:

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of Territories and for the departmental administration of the Trust Territory of the Pacific Islands, under the jurisdiction of the Department of the Interior, including expenses of the offices of the Governors of Alaska, Hawaii, Guam, American Samoa, as authorized by law (48 U. S. C., secs. 61, 531, 1422, 1431a (c)); salaries of the Governor of the Virgin Islands, the Government Secretary, and the members of their immediate staffs as authorized by law (48 U. S. C. 1591); compensation and mileage of members of the legislatures in Alaska, Hawaii, Guam, American Samoa, and the Virgin Islands as authorized by law (48

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U. S. C., secs. 87, 599, 1421d (e), 1431a (e), and 1572e); compensation and expenses of the judiciary in American Samoa as authorized by law (48 U. S. C. 1431a (c)); grants to American Samoa, in addition to current local revenues, for support of governmental functions; and personal services, household equipment and furnishings, and utilities necessary in the operation of the houses of the Governors of Alaska, Hawaii, Guam, and American Samoa; [$1,965,000] *$2,100,000*: *Provided*, That the Territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That appropriations available for the administration of Territories may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary. (*Executive Orders 6726, 10077, 10137; 48 U. S. C. 62, 63, 66–69, 72, 89, 536, 561–620, 1391, 1421–1426b; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$1,965,000** Estimate 1959, **$2,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Territory of Alaska:			
(*a*) Governor's office	$86,414	$121,960	$113,660
(*b*) Legislative expense	47,525		48,000
(*c*) Care and custody of Alaskan insane	550,478		
2. Territory of Hawaii:			
(*a*) Governor's office	47,507	49,852	50,350
(*b*) Legislative expense	46,652		79,000
3. Virgin Islands:			
(*a*) Governor's office	66,827	76,017	76,017
(*b*) Legislative expense	9,572	12,600	12,600
4. Guam:			
(*a*) Governor's office	51,499	88,824	88,824
(*b*) Legislative expense	22,380	23,300	23,300
5. American Samoa:			
(*a*) Governor's office	51,744	58,422	68,775
(*b*) Legislative expense	25,439	28,000	28,000
(*c*) Chief Justice and High Court	31,818	35,017	38,000
(*d*) Grants	1,165,400	1,169,400	1,169,400
6. Canton Island administration	10,147	10,688	13,154
7. General administration	269,222	290,920	290,920
Total obligations	2,482,624	1,965,000	2,100,000
Financing:			
Unobligated balance no longer available	20,376		
New obligational authority	2,503,000	1,965,000	2,100,000
New obligational authority:			
Appropriation	$2,803,000	$1,965,000	$2,100,000
Transferred to "Care and custody of Alaska insane, Governor of Alaska" (70 Stat. 713)	−300,000		
Appropriation (adjusted)	2,503,000	1,965,000	2,100,000

Provision is made for the expense of the Office of Territories, and for support of the governments of Alaska, Hawaii, the Virgin Islands, Guam, and American Samoa, as set forth above.

The net increase of $135,000 is primarily for the expenses of the biennial legislatures of Alaska and Hawaii.

The grant to Samoa is to supplement local revenues for operation of the government. The costs of government are distributed as follows:

Function:	*1957 actual*	*1958 estimate*	*1959 estimate*
1. Health, education, and welfare	$836,621	$839,910	$886,850
2. Economic and industrial development	120,487	140,890	127,850
3. Operation and maintenance	474,059	419,150	466,050
4. General administration	278,376	273,650	342,850
5. Construction	67,700	45,800	45,890
Total cost of government	1,777,243	1,719,400	1,869,400
Deduct local revenues applied	611,843	550,000	700,000
Total grants	1,165,400	1,169,400	1,169,400

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	76	78	78
Full-time equivalent of all other positions	8	8	8
Average number of all employees	76	80	80
Number of employees at end of year	62	74	74

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average GS grade and salary	9.0 $6,862	9.0 $6,767	9.0 $6,790
Average grade and salary, grades established by act of July 31, 1956, 70 Stat. 740	$19,000	$19,000	$19,000
Average salary of ungraded positions	$4,102	$4,102	$4,102
01 Personal services:			
Permanent positions	$517,759	$570,031	$576,520
Positions other than permanent	4,785	10,585	9,544
Other personal services	124,374	47,430	160,700
Total personal services	646,918	628,046	746,764
02 Travel	64,388	60,955	87,261
03 Transportation of things	352	2,600	2,350
04 Communication services	15,648	10,870	11,880
05 Rents and utility services	698	1,220	2,220
06 Printing and reproduction	12,578	14,650	13,867
07 Other contractual services	560,338	23,816	12,787
08 Supplies and materials	10,318	12,408	13,563
09 Equipment	3,833	7,300	5,228
11 Grants, subsidies, and contributions	1,167,311	1,202,695	1,203,635
15 Taxes and assessments	242	440	445
Total obligations	2,482,624	1,965,000	2,100,000

Trust Territory of the Pacific Islands

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by Joint Resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), including the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; compensation and expenses of the judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; [$4,800,000] *$4,715,000*: *Provided*, That the revolving fund for loans to locally owned private trading enterprises shall continue to be available during the fiscal year [1958] *1959*: *Provided further*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): *Provided further*, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further*, That appropriations available for the Administration of the Trust Territory of the Pacific Islands may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary in carrying out the provisions of article 6 (2) of the Trusteeship Agreement approved by Congress: *Provided further*, That, notwithstanding the provisions of any law, the Trust Territory of the Pacific Islands is authorized to receive, during the current fiscal year, from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus food commodities as may be available pursuant to section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U. S. C. 1431). (*Executive Orders 10265, 10408; Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$4,800,000** Estimate 1959, **$4,715,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. High Commissioner's office	$49,860	$61,500	$62,000
2. Judiciary	52,442	53,000	53,000
3. Grants	4,690,000	4,685,500	4,600,000
Total obligations	4,792,302	4,800,000	4,715,000
Financing:			
Unobligated balance no longer available	7,698		
Appropriation (new obligational authority)	4,800,000	4,800,000	4,715,000

Under the terms of the Trusteeship Agreement with the Security Council of the United Nations, the United

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OFFICE OF TERRITORIES—Continued

Current authorizations—Continued

TRUST TERRITORY OF THE PACIFIC ISLANDS—Continued

States exercises full jurisdiction over the territory and has undertaken to promote the political, economic, and educational advancement of the inhabitants.

The territory encompasses some 3 million square miles of ocean over which are scattered 2,141 islands with a land area of 687 square miles. The population, exclusive of Saipan and Tinian, is approximately 58,000. The Department of the Interior is responsible for administration of all the territory except the islands of Saipan, Tinian, and the small islands north thereof which are under Navy jurisdiction as critical defense areas.

2. *Judiciary.*—Provision is made for the high court of the trust territory, the Court of Appeals, and the lesser courts of the territory.

3. *Grants.*—Grants are required in addition to local revenues for health, education, and other services as well as for the cost of maintaining and providing the necessary facilities of the government of the territory. The costs of government are distributed as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
(*a*) Health, education, and other services	$1,634,880	$1,660,673	$1,620,000
(*b*) Operation and maintenance	1,570,375	1,434,500	1,400,000
(*c*) Transportation services	1,464,480	1,423,000	1,323,000
(*d*) General administration	935,933	942,327	925,000
(*e*) Construction	782,776	900,000	900,000
Total cost of government	6,388,444	6,360,500	6,178,000
Deduct local revenues applied	1,698,444	1,675,000	1,578,000
Total grants	4,690,000	4,685,500	4,600,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	302	285	284
Full-time equivalent of all other positions	7	2	7
Average number of all employees	280	265	279
Number of employees at end of year	288	288	288
Average GS grade and salary	8.3 $5,635	8.4 $5,785	8.4 $5,905
Average salary of ungraded positions	$5,402	$5,320	$5,320
01 Personal services:			
Permanent positions	$1,446,759	$1,525,895	$1,563,075
Positions other than permanent	14,108	10,500	15,000
Other personal services	329,837	356,405	368,340
Total personal services	1,790,704	1,892,800	1,946,415
Deduct amount for Federal employees paid from grant to trust territory	1,712,922	1,799,800	1,849,495
Net personal services	77,782	93,000	96,920
02 Travel	21,116	11,500	7,085
03 Transportation of things	661	100	100
04 Communication services	76	250	250
05 Rents and utility services	965	550	550
06 Printing and reproduction		100	100
07 Other contractual services	788	1,350	1,350
08 Supplies and materials	479	1,000	1,945
09 Equipment	414	2,150	2,150
11 Grants, subsidies, and contributions	4,690,000	4,690,000	4,604,500
15 Taxes and assessments	21		50
Total obligations	4,792,302	4,800,000	4,715,000

ALASKA PUBLIC WORKS

For an additional amount for expenses necessary for carrying out the provisions of the Act of August 24, 1949, as amended (48 U. S. C. 486–486j), [to remain available until June 30, 1959, $6,000,000,] *$4,000,000*, of which not to exceed $553,600 shall be available for administrative expenses. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Appropriated 1958, **$6,000,000** Estimate 1959, **$4,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction	$6,132,808	$7,016,810	$5,050,162
2. Administration	501,495	553,600	553,600
Total obligations	6,634,303	7,570,410	5,603,762
Financing:			
Unobligated balance brought forward	−4,840,475	−3,174,172	−1,603,762
Unobligated balance carried forward	3,174,172	1,603,762	
Appropriation (new obligational authority)	4,968,000	6,000,000	4,000,000

Congress has authorized $70 million for a 9-year program of public works for the development of Alaska, of which at least half is recoverable from the Territorial government or other public bodies in Alaska who request the projects. The authorization expires June 30, 1959.

1. *Construction.*—The status of construction and estimates for 1958 and 1959 are as follows:

[Dollars in thousands]

	Cumulative obligations as of June 30, 1957	*Additional obligations incurred*		*Cumulative obligations as of June 30, 1959*
		1958 estimate	*1959 estimate*	
Type of project:				
Public buildings:				
Schools:				
Number contracted	51	8	2	61
Obligations	$29,085	$5,597	$3,372	$38,054
Other public buildings:				
Number contracted	15	5	------	20
Obligations	$4,760	$313	------	$5,073
Streets and utilities:				
Streets and utilities:				
Number contracted	66	11	4	81
Obligations	$21,608	$1,660	$2,232	$25,500
Total—				
Number contracted	132	24	6	162
Obligations	$55,453	$7,570	$5,604	$68,627

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	65	64	63
Full-time equivalent of all other positions	1	1	1
Average number of all employees	55	58	57
Number of employees at end of year	55	59	57
Average GS grade and salary	8.5 $6,276	8.5 $6,278	8.5 $6,299
01 Personal services:			
Permanent positions	$340,455	$358,295	$356,615
Positions other than permanent	998	1,500	2,000
Other personal services	73,364	79,205	80,385
Total personal services	414,817	439,000	439,000
02 Travel	28,920	40,000	33,000
03 Transportation of things	12,184	6,000	12,000
04 Communication services	7,942	8,000	8,000
05 Rents and utility services	20,350	20,000	21,000
06 Printing and reproduction	625	2,500	1,500
07 Other contractual services	10,382	7,000	10,000
08 Supplies and materials	4,631	7,000	5,000
09 Equipment	1,149	2,000	2,000
10 Land and structures	6,132,808	7,016,810	5,050,162
11 Grants, subsidies, and contributions		21,600	21,600
15 Taxes and assessments	495	500	500
Total obligations	6,634,303	7,570,410	5,603,762

CARE AND CUSTODY OF ALASKA INSANE, GOVERNOR OF ALASKA

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Care and custody of Alaska insane (total obligations)	$299,917		

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$83		
New obligational authority	300,000		
New obligational authority:			
Appropriation	$0		
Transferred from "Administration of Territories"	300,000		
Appropriation (adjusted)	300,000		

This program was transferred to the Territorial Government of Alaska, effective February 23, 1957 (Public Law 830, approved July 28, 1956).

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$592		
07 Other contractual services	299,325		
Total obligations	299,917		

Virgin Islands Public Works

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction	$8,398	$86,519	
2. Administration	20,252	2,000	
Total obligations	28,650	88,519	
Financing:			
Unobligated balance brought forward	−362,846	−366,365	−$277,846
Recovery of prior year obligations	−32,169		
Unobligated balance carried forward	366,365	277,846	
Unobligated balance no longer available			277,846
Appropriation (new obligational authority)			

This program is in the process of liquidation. Public works projects in the Virgin Islands are now carried out by the Virgin Islands government under the provisions of the Revised Organic Act (48 U. S. C. 1541, 1952 ed. supp. IV).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5		
Average number of all employees	5		
Number of employees at end of year	0		
Average GS grade and salary	8.4 $6,739		
01 Personal services: Permanent positions	$18,050		
02 Travel	915	$1,000	
03 Transportation of things	2		
04 Communication services	194	200	
06 Printing and reproduction	765	800	
07 Other contractual services	326		
10 Land and structures	8,398	86,519	
Total obligations	28,650	88,519	

Permanent authorizations:

Internal Revenue Collections for Virgin Islands

(Indefinite special account)

Appropriated 1958, **$3,379,133** Estimate 1959, **$3,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to the Virgin Islands (total obligations)	$2,469,426	$3,379,133	$3,000,000
Financing:			
Appropriation (new obligational authority)	2,469,426	3,379,133	3,000,000

The local revenues collected annually by the government of the Virgin Islands are matched by a payment out of the annual internal revenue taxes collected by the United States on Virgin Islands products transported to the United States (48 U. S. C. 1541, 1952 ed. supp. IV).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$2,469,426	$3,379,133	$3,000,000

Public enterprise funds:

Alaska Railroad Revolving Fund

The Alaska Railroad Revolving Fund shall continue available until expended for the work authorized by law, including operation and maintenance of oceangoing or coastwise vessels by ownership, charter, or arrangement with other branches of the Government service, for the purpose of providing additional facilities for transportation of freight, passengers, or mail, when deemed necessary for the benefit and development of industries or travel in the area served; and payment of compensation and expenses as authorized by section 42 of the Act of September 7, 1916 (5 U. S. C. 793), to be reimbursed as therein provided: *Provided*, That no employee shall be paid an annual salary out of said fund of more than $11,000 except the general manager of said railroad, one assistant general manager at not to exceed $14,000 per annum, two officers at not to exceed $12,500 per annum each, and three officers at not to exceed $12,000 per annum each. *(48 U. S. C. 301–308; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Rail line program:			
(a) Engineering branch	$3,120,170	$3,670,000	$3,670,000
(b) Motive power and equipment branch	4,120,615	4,530,000	4,530,000
(c) Operating branch—transportation	5,495,265	6,246,000	6,246,000
(d) Communications branch	238,604	279,000	279,000
(e) Division of traffic	141,635	160,000	160,000
(f) Dormitories and messhouses	252,665	286,000	286,000
(g) Administrative expense	863,567	922,000	922,000
2. Other program:			
(a) Cost of power and steam sold	97,009	93,000	93,000
(b) Operation of facilities rented	104,587	90,000	90,000
(c) Cost of property and supplies sold	372,045		
(d) Miscellaneous	232,812	219,000	219,000
(e) Administrative expense	5,058	5,000	5,000
(f) Nonoperating losses and prior year adjustments	1,321,498	499,545	500,000
Total operating costs	16,365,530	16,999,545	17,000,000
Depreciation included above (−)	−1,773,627	−1,830,000	−1,830,000
Total operating costs, funded	14,591,903	15,169,545	15,170,000
Capital outlay: Rail line program:			
Acquisition of roadbed, track, and structures	4,467,542	4,385,671	4,818,000
Acquisition of equipment	1,127,943	1,000,000	1,500,000
Total capital outlay	5,595,485	5,385,671	6,318,000
Total program costs, funded	20,187,388	20,555,216	21,488,000
Relation of costs to obligations: Costs financed from other years, net (−)	−989,445	−965,712	−969,000
Total program (obligations)	19,197,943	19,589,504	20,519,000

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OFFICE OF TERRITORIES—Continued

Public enterprise funds—Continued

ALASKA RAILROAD REVOLVING FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Freight revenue	$11,842,364	$14,415,000	$14,415,000
Other rail line revenue	2,384,148	2,110,000	2,110,000
Other program revenue	998,398	475,000	475,000
Total amounts becoming available	15,224,910	17,000,000	17,000,000
Unobligated balance brought forward	14,004,578	10,031,545	7,442,041
Total amounts available	29,229,488	27,031,545	24,442,041
Unobligated balance carried forward	−10,031,545	−7,442,041	−3,923,041
Financing applied to program	19,197,943	19,589,504	20,519,000

This fund is derived from the earnings of the Railroad, and used for operating and maintenance expense as well as improvements and additions (48 U. S. C. 301–308).

Budget program—1. *Rail line operation.*—The railroad main line extends 470 miles from Seward to Fairbanks. Branch lines, passing tracks, spurs, and yards total 195 miles. Expense is estimated to increase from $14.2 million in 1957 to $16.1 million in 1958 and 1959, respectively. The increase in 1959 represents contribution to the civil service retirement fund and additional operating costs to produce projected revenues. Revenue is expected to increase from $14.2 million in 1957 to $16.5 million in 1958 and 1959, respectively, by reason of a revision of certain commodity rates and increases in tonnage due to the economic growth of the Territory.

Capital outlays totaled $5.6 million in 1957 and are estimated at $5.3 million in 1958 and $6.3 million in 1959, mainly for track repairs and purchase of rolling stock equipment.

2. *Other operations.*—These consist of costs of sales of power, steam, excess property, and rental of properties.

Operating results and financial condition.—Loss of traffic to military petroleum pipeline completed in 1956 resulted in a decrease in gross revenue in excess of $3.5 million. Expense cannot be reduced in direct proportion to the loss of revenue, and will be increased in 1958 and 1959. Net income will increase retained earnings to $5.6 million at the end of 1959.

The investment accounts of the Alaska Railroad have been restated to segregate the results of operations after June 30, 1954, from those attributed to earlier operations, as recommended by the Comptroller General of the United States in his audit report to the Congress for 1954.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$837,856	$258,682	$200,000	$200,000
Inventories, deferred charges, etc.	5,332,916	5,621,455	4,827,778	3,858,778
Unpaid undelivered orders	1,512,163	813,353	700,000	700,000
Total selected resources at end of year	7,682,935	6,693,490	5,727,778	4,758,778
Selected resources at start of year (−)		−7,682,935	−6,693,490	−5,727,778
Costs financed from obligations of other years net (−)		−989,445	−965,712	−969,000

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Rail line operation program:			
Acquisition of assets	$5,595,485	$5,385,671	$6,318,000
Expense	12,636,585	14,438,666	14,439,000
Other operations: Expense	631,154	230,000	230,000
Nonoperating losses and prior year adjustment	1,033,218	399,545	400,000
Adjustment to donations and grants	288,280	100,000	100,000
Total gross expenditures	20,184,722	20,553,882	21,487,000
Receipts from operations (funds provided):			
Rail line operation program: Revenue	14,226,512	16,525,000	16,525,000
Other operations: Revenue	998,398	475,000	475,000
Decrease in selected working capital	1,869,394	221,080	1,972,000
Total receipts from operations	17,094,304	17,221,080	18,972,000
Budget expenditures	3,090,418	3,332,802	2,515,000

Revenue, Expense, and Retained Earnings

Rail line operation program:			
Revenue	$14,226,512	$16,525,000	$16,525,000
Expense	14,237,578	16,093,000	16,093,000
Net operating income or loss (−), rail line operation program	−11,066	432,000	432,000
Other operations:			
Revenue	998,398	475,000	475,000
Expense	806,454	407,000	407,000
Net nonoperating income	191,944	68,000	68,000
Net income for the year	180,878	500,000	500,000
Analysis of retained earnings:			
Retained earnings, beginning of year	4,641,621	4,642,770	5,142,770
Prior year adjustment	−179,729		
Retained earnings, end of year	4,642,770	5,142,770	5,642,770

Financial Condition

Assets:			
Cash with Treasury and in banks	$14,049,802	$10,717,000	$8,202,000
Accounts receivable, net	1,756,849	1,400,000	1,200,000
Advances	258,682	200,000	200,000
Supplies, deferred charges, etc.	5,621,455	4,827,778	3,858,778
Lands, structures, and equipment, net	113,841,758	117,397,429	121,885,429
Total assets	135,528,546	134,542,207	135,346,207
Liabilities:			
Current	4,961,753	3,974,959	4,778,959
Government investment:			
Non-interest-bearing capital:			
Start of year	127,065,792	125,924,023	125,424,478
Invested and donated capital adjustments	−1,141,769	−499,545	−500,000
End of year	125,924,023	125,424,478	124,924,478
Retained earnings	4,642,770	5,142,770	5,642,770
Total Government investment	130,566,793	130,567,248	130,567,248

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$17,140,220	$14,049,802	$10,717,000	$8,202,000
Obligated balance, net:				
Current liabilities	3,841,158	4,961,753	3,974,959	4,778,959
Unpaid undelivered orders	1,512,163	813,353	700,000	700,000
Accounts receivable, net (−) and cash in transit	−2,217,679	−1,756,849	−1,400,000	−1,200,000
Total obligated balance	3,135,642	4,018,257	3,274,959	4,278,959
Unobligated balance	14,004,578	10,031,545	7,442,041	3,923,041

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,648	1,600	1,550
Average number of all employees	1,449	1,370	1,320
Number of employees at end of year	1,428	1,479	1,355
Average salary of ungraded positions	$6,999	$7,130	$7,160
01 Personal services:			
Permanent positions	$9,732,855	$9,607,000	$9,291,000
Positions other than permanent	32,058	35,000	35,000
Other personal services	376,008	340,000	340,000
Total personal services	10,140,921	9,982,000	9,666,000
02 Travel	86,285	90,000	90,000
03 Transportation of things	232,567	370,000	470,000
04 Communication services	26,750	30,000	30,000
05 Rents and utility services	676,988	700,000	700,000
06 Printing and reproduction	5,002	40,000	40,000
07 Other contractual services	1,271,245	1,086,000	1,202,000
08 Supplies and materials	1,613,821	1,568,666	1,669,000
09 Equipment	1,127,493	1,000,000	1,500,000
10 Lands and structures	3,463,843	4,385,671	4,818,000
11 Grants, subsidies, and contributions	145,301	705,000	705,000
13 Refunds, awards, and indemnities	96,973	122,000	122,000
Subtotal	18,887,189	20,079,337	21,012,000
Deduct quarters and subsistence charges	23,965	25,000	25,000
Total accrued expenditures	18,863,224	20,054,337	20,987,000

Loans to Private Trading Enterprises, Trust Territory of the Pacific Islands

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations): Loan program	$8,000	$100,000	$100,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	87,969	116,000	120,000
Interest on loans	10,379	12,000	13,000
Total amounts becoming available	98,348	128,000	133,000
Unobligated balance brought forward	150,910	241,258	269,258
Total amounts available	249,258	369,258	402,258
Capital transfer (payment of profits to Treasury) (−)			−39,529
Unobligated balance carried forward	−241,258	−269,258	−262,729
Financing applied to program	8,000	100,000	100,000

Loans are made to local trading companies for purchase of Micronesian products for resale in the world market, purchase of trade goods for resale in Micronesia, and purchase of vessels.

The 1956 appropriation language for the Trust Territory of the Pacific Islands made available for 1 year $500,000 of the proceeds from liquidation of the Island Trading Company of Micronesia for establishment of this fund. The availability was continued for 1957 and 1958 and it is proposed to extend it again for 1959.

Interest charged is 4% per annum on the unpaid balance.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loans to private trading enterprises	$8,000	$100,000	$100,000
Receipts from operations (funds provided):			
Loan program:			
Collection of loans	87,969	116,000	120,000
Revenue	10,379	12,000	13,000
Total receipts from operations	98,348	128,000	133,000
Budget expenditures	−90,348	−28,000	−33,000

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue earned (net income for the year)	$10,379	$12,000	$13,000
Analysis of retained earnings:			
Retained earnings beginning of year	4,150	14,529	26,529
Payment of profits to Treasury (−)			−39,529
Retained earnings, end of year	14,529	26,529	

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash	$241,258	$269,258	$262,729
Loans receivable	273,271	257,271	237,271
Total assets	514,529	526,529	500,000
Government investment:			
Non-interest-bearing capital	500,000	500,000	500,000
Retained earnings	14,529	26,529	
Total Government investment	514,529	526,529	500,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$150,910	$241,258	$269,258	$262,729
Unobligated balance	150,910	241,258	269,258	262,729

Object Classification

	1957 actual	1958 estimate	1959 estimate
16 Investments and loans	$8,000	$100,000	$100,000

Virgin Islands Corporation

CONTRIBUTIONS

For payment to the Virgin Islands Corporation in the form of grants, as authorized by law, [$524,000] *$130,000. (48 U. S. C. 1407g, Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$524,000** Estimate 1959, **$130,000**

OPERATING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Loan program: Administration	$644	$1,100	$1,000
2. Sugar program:			
Production of sugar	1,709,554	1,404,000	1,618,600
Administration	99,085	101,200	105,500
3. Power program:			
Production and distribution of power	533,304	550,000	565,500
Administration	24,928	31,800	29,100
4. Miscellaneous revenue-producing activities:			
Expense	267,964	264,000	256,600
Administration	23,183	25,900	24,400
5. Non-revenue-producing activities	127,198	142,093	130,000
6. Interest on borrowings	148,502	185,300	193,000
Property destroyed by fire	28,763		
Total operating costs	2,963,125	2,705,393	2,923,700
Depreciation included above (−)	−301,110	−320,000	−337,500
Other cost included above not requiring funding	−28,763		
Total operating costs, funded	2,633,252	2,385,393	2,586,200
Capital outlay:			
1. Loan program: Loans acquired	208,076	8,000	8,500
2. Sugar program: Acquisition of:			
Lands and structures	105,805	55,000	40,000
Equipment	297,468	130,200	180,000
3. Power program: Acquisition of:			
Plant and office equipment	79,771	319,710	
Distribution lines	334,921	218,575	60,000
Total capital outlay, funded	1,026,041	731,485	288,500
Total program costs, funded	3,659,293	3,116,878	2,874,700
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−175,815	−219,814	−22,500
Total program (obligations)	3,483,478	2,897,064	2,852,200
Financing:			
Amounts becoming available:			
Appropriation	550,000	524,000	130,000
Revenue and receipts:			
Collection of loans	30,333	29,600	16,700

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OFFICE OF TERRITORIES—Continued

Public enterprise funds—Continued

VIRGIN ISLANDS CORPORATION—Continued

OPERATING FUND—continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Amounts becoming available—Con.			
Revenue and receipts—Continued			
Interest on loans	$8,899	$9,900	$8,800
Sale of commodities	2,026,072	1,461,900	1,764,700
Repayment of long term accounts receivable	4,814	21,564	21,564
Sale of power	738,895	765,000	767,000
Other receipts	277,605	264,900	260,200
Total amounts becoming available	3,636,618	3,076,864	2,968,964
Unobligated balance brought forward:			
Cash (operating fund)	118,329	1,146,469	1,326,269
Appropriation	1,338,000	463,000	463,000
Total amounts available	5,092,947	4,686,333	4,758,233
Unobligated balance carried forward:			
Cash (operating fund)	1,146,469	1,326,269	723,033
Appropriation	463,000	463,000	1,183,000
Financing applied to program	3,483,478	2,897,064	2,852,200

The Corporation promotes the economic development of the Virgin Islands. Appropriations not to exceed $9 million are authorized to be made to a revolving fund based on annual budgets submitted by the Corporation. The appropriation of additional funds as grants to finance specific programs not primarily of revenue-producing character and to reimburse the Corporation for operating losses is also authorized (48 U. S. C. 1407).

Budget program.—1. *Loan program.*—Loans are made to aid farmers in agricultural diversification and to improve livestock production and to aid business enterprises with any commercial or industrial undertaking or activity in the Virgin Islands when such loans are not available from other Federal or private sources.

2. *Sugar program.*—The principal business of the Corporation is the growing of sugarcane, and the production and sale of raw sugar. Statistics and cost are as follows (cost includes depreciation and interest):

	1957 actual	*1958 estimate*	*1959 estimate*
Sugarcane production:			
Acres harvested	2,525.25	2,600	2,600
Tons per acre	32.42	23	29
Sugar manufacture: Tons of cane ground:			
Corporation cane	82,849	60,000	75,000
Purchased cane	49,566	42,000	50,000
Total	132,415	102,000	125,000
Sugar yield per ton of cane	11.4%	10.5%	10.5%
Tons of sugar produced	14,552	10,710	13,125
Total cost per ton	$131.04	$151.41	$140.33
Income per ton of sugar	139.23	136.50	134.45
Profit or loss (−) per ton	8.19	−14.91	−5.88

NOTE.—Under the crop-year basis of accounting used by the Corporation, all revenue, operating costs, and other expenses applicable to the year's crop are considered earned or incurred during the fiscal year.

3. *Power program.*—Electric generating plants are operated by the Corporation to supply each of the islands of St. Croix, St. Thomas, and St. John with electric power. Program statistics are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Generating capacity (kilowatts)	6,660	9,660	9,660
Miles of distribution lines	445	475	495
Number of consumers	8,017	8,300	8,500
Kilowatt hours sold	17,042,595	18,000,000	18,500,000
Average income per kilowatt-hour (cents)	4.34	4.25	4.15
Average cost per kilowatt-hour (cents)	3.53	3.56	3.58
Profit per kilowatt-hour (cents)	.81	.69	.57

4. *Miscellaneous revenue producing activities.*—These consist of (*a*) certain Navy properties transferred to the Department of the Interior under a revocable permit and assigned to the Corporation for management; (*b*) leases and rentals of property; and (*c*) miscellaneous sales of surplus and materials.

5. *Non-revenue-producing activities.*—These include water and soil conservation programs, particularly the construction of dams and land clearance, and a forest development program.

6. *Administrative expenses.*—Administrative expenses for 1959 will be held within a limitation of $160,000.

Financing.—In addition to the receipts of the fund from its operations, appropriations are made for the Corporation as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Grants for non-revenue-producing activities	$130,000	$130,000	$130,000
Grants to restore impairment of capital	295,000	394,000	--------
Capital for revolving appropriation for loans to the Corporation	125,000	--------	--------
Total appropriations	550,000	524,000	130,000

The financing of the non-revenue-producing activities is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Unexpended grant at start of year	$20,258	$23,060	$10,967
Additional grant for year	130,000	130,000	130,000
Total appropriations and balances	150,258	153,060	140,967
Expenses during year	127,198	142,093	130,000
Unexpended grant at end of year	23,060	10,967	10,967

The sum of $9,000,000 has been authorized for the revolving appropriation for loans to the Corporation; $6,513,000 has been appropriated thus far, of which $183,000 is estimated to remain on deposit June 30, 1959.

Operating results.—The net income for the fiscal year ended June 30, 1957, amounted to $215,544. Of this amount $119,156 was contributed by the sugar program. It is the first time in the history of the Corporation that the sugar program has shown a profit. This was due to favorable weather conditions, reasonable sugar yield and prices, improvements in milling operations in addition to considerable efforts by the supervisory staff. The profit of $215,544 is a marked improvement over prior years' losses of $341,539 in 1955 and $231,944 in 1956.

It is estimated that operations will show a loss in 1958 due to unfavorable weather conditions during the fall of 1957. For this reason, it is recommended that 1957 profits be retained to cover the 1958 deficit as no funds were appropriated for this purpose.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories, deferred charges, etc	$807,764	$899,067	$812,000	$779,500
Undisbursed loan obligations	200,000	--------	--------	--------
Unpaid undelivered orders	329,865	262,747	130,000	140,000
Total selected resources at end of year	1,337,629	1,161,814	942,000	919,500
Selected resources at start of year (−)		−1,337,629	−1,161,814	−942,000
Costs financed from obligations of other years, net (−)		−175,815	−219,814	−22,500

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$208,076	$8,000	$8,500
Expense	4,871	6,600	5,900

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Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Gross expenditures(funds applied)—Con.			
Sugar program:			
Acquisition of equipment	$403,273	$185,200	$220,000
Expense:			
Purchase of commodities for manufacture or sale	463,288	412,315	447,000
Other expense	1,255,726	1,034,400	1,195,000
Power program:			
Acquisition of equipment	414,692	538,285	60,000
Expense	511,008	536,600	548,600
Miscellaneous revenue-producing activities: Expense	266,294	265,700	256,700
Non-revenue-producing activities:			
Water and soil conservation	98,654	110,637	100,000
Reforestation	28,544	31,456	30,000
Increase in selected working capital	884,623		264,300
Total gross expenditures	4,539,049	3,129,193	3,136,000
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	30,333	29,600	16,700
Revenue	8,899	9,900	8,800
Sugar program:			
Revenue	2,026,072	1,461,900	1,764,700
Repayment of long-term accounts receivable	4,814	21,564	21,564
Power program: Revenue	738,895	765,000	767,000
Miscellaneous revenue-producing activities: Revenue	277,605	264,900	260,200
Decrease in selected working capital		385,359	
Total receipts from operations	3,086,618	2,938,223	2,838,964
Budget expenditures	1,452,431	190,970	297,036

Revenue, Expense, and Retained Earnings

Loan financing program:			
Revenue	$8,899	$9,900	$8,800
Expense	4,871	6,600	5,900
Net operating income, industrial financing program	4,028	3,300	2,900
Sugar program:			
Revenue	2,026,072	1,461,900	1,764,700
Expense	1,906,916	1,621,600	1,841,800
Net operating income or loss (−), sales program	119,156	−159,700	−77,100
Power program:			
Revenue	738,895	765,000	767,000
Expense	601,399	641,600	662,100
Net operating income, power program	137,496	123,400	104,900
Miscellaneous revenue-producing activities:			
Revenue	277,605	264,900	260,200
Expense	293,978	293,500	283,900
Net operating loss (−)	−16,373	−28,600	−23,700
Nonoperating loss: Property destroyed by fire	−28,763		
Net income or loss (−) for the year	215,544	−61,600	7,000
Analysis of retained earnings or deficit (−):			
Retained earnings or deficit (−), beginning of year	−561,572	−51,028	281,372
Grants for operating losses	295,000	394,000	
Retained earnings or deficit (−), end of year	−51,028	281,372	288,372

NOTE.—Excludes expenses for activities budgeted as predominantly non-revenue-producing, financed by appropriations as follows: 1957, $130,000; 1958, $130,000; 1959, $130,000.

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash:			
With Treasury and in banks	$27,795	$360,825	$473,789
On hand and in transit	630	630	630
Accounts receivable, net	2,209,439	1,645,814	1,945,914
Commodities for sale (sugarcane in fields)	145,685	158,000	155,000
Vegetables	543		
Supplies, deferred charges, etc	752,839	654,000	624,500
Loans receivable, net	199,320	177,720	169,520
Land, structures, and equipment, net	4,887,017	5,290,502	5,233,002
Long-term accounts receivable	316,041	294,477	272,913
Total assets	8,539,309	8,581,968	8,875,268

Financial condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$828,648	$551,000	$557,300
Government investment:			
Interest-bearing capital:			
Start of year	5,988,629	6,988,629	6,988,629
Loans from appropriations, net	1,000,000		280,000
End of year	6,988,629	6,988,629	7,268,629
Non-interest-bearing capital:			
Start of year	750,000	750,000	750,000
Unexpended grants for non-revenue-producing activities	23,060	10,967	10,967
End of year	773,060	760,967	760,967
Retained earnings	−51,028	281,372	288,372
Total Government investment	7,710,661	8,030,968	8,317,968

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$55,226	$27,795	$360,825	$473,789
Budget authorization	1,338,000	463,000	463,000	183,000
Total unexpended balance	1,393,226	490,795	823,825	656,789
Obligated balance, net:				
Current liabilities	475,750	828,648	551,000	557,300
Undisbursed loan obligations	200,000			
Unpaid undelivered orders	329,865	262,747	130,000	140,000
Accounts receivable net, and cash in transit (−)	−1,068,718	−2,210,069	−1,646,444	−1,946,544
Total obligated balance	−63,103	−1,118,674	−965,444	−1,249,244
Unobligated balance	1,456,329	1,609,469	1,789,269	1,906,033

LIMITATION ON ADMINISTRATIVE EXPENSES, VIRGIN ISLANDS CORPORATION

During the current fiscal year the Virgin Islands Corporation is hereby authorized to make such expenditures, within the limits of funds available to it and in accord with law, and to make such contracts and commitments without regard to fiscal-year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its programs as set forth in the budget for the fiscal year [1958] *1959*: *Provided*, That not to exceed $160,000 shall be available for administrative expenses (to be computed on an accrual basis) of the Corporation, covering the categories set forth in the [1958] *1959* budget estimates for such expenses.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$147,840	$160,000	$160,000
Financing:			
Unobligated balance no longer available	12,160		
Limitation	160,000	160,000	160,000

Object Classification

Total number of permanent positions	796	746	780
Full-time equivalent of all other positions	126	100	133
Average number of all employees	922	846	913
Number of employees at end of year	717	730	735
Average salary of ungraded positions	$1,353	$1,361	$1,343
01 Personal services:			
Permanent positions	$1,045,364	$993,200	$1,027,300
Positions other than permanent	125,455	106,500	120,000
Other personal services	25,068	23,000	25,500
Total personal services	1,195,887	1,122,700	1,172,800
Deduct portion not chargeable to limitation	1,083,028	1,004,000	1,053,600
Net personal services	112,859	118,700	119,200

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OFFICE OF TERRITORIES—Continued

Public enterprise funds—Continued

VIRGIN ISLANDS CORPORATION—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, VIRGIN ISLANDS CORPORATION—continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel	$9,935	$14,000	$14,000
04	Communication services	3,687	4,100	4,100
06	Printing and reproduction	897	900	900
07	Other contractual services	16,631	16,700	16,300
08	Supplies and materials	2,715	3,600	3,600
11	Grants, subsidies, and contributions	1,116	2,000	1,900
	Total obligations	147,840	160,000	160,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$6,416	$3,823	$1,250
Financing:			
Advances and reimbursements from other accounts	6,416	3,823	1,250

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1	1	
	Average number of all employees	1		
	Number of employees at end of year	1	0	
	Average GS grade and salary	5.0 $4,210	6.0 $4,350	
01	Personal services: Permanent positions	$4,184	$1,673	
02	Travel	872	900	
04	Communication services	1,360	1,250	$1,250
	Total obligations	6,416	3,823	1,250

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of the Interior (referred to herein as the Secretary), including teletype rentals and service, *and the purchase of one passenger motor vehicle (at not to exceed $5,500) for replacement only,* $2,500,000. *(5 U. S. C. 481–502; Department of the Interior and Related Agencies Appropriation Act, 1958.)*

Appropriated 1958, **$2,500,000** Estimate 1959, **$2,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Departmental direction	$331,706	$364,900	$364,900
2. Program direction and coordination	689,037	818,300	818,300
3. Administrative management services	1,078,047	1,220,800	1,220,800
4. General services	76,656	96,000	96,000
Total obligations	2,175,446	2,500,000	2,500,000
Financing:			
Unobligated balance no longer available	111,554		
New obligational authority	2,287,000	2,500,000	2,500,000
New obligational authority:			
Appropriation	$2,222,000	$2,500,000	$2,500,000
Transferred from "Salaries and expenses," Office of the Solicitor (71 Stat. 180)	65,000		
Appropriation (adjusted)	2,287,000	2,500,000	2,500,000

1. *Departmental direction.*—The Office of the Secretary, Under Secretary, and the division of information provide top departmental direction and contact with the public.

2. *Program direction and coordination.*—The Secretary is aided by four assistant secretaries and the technical review staff. Staff assistance is provided on matters of policy for promoting the domestic welfare and the conservation and development of the country's natural resources.

3. *Administrative management services.*—Under the direction of the administrative assistant secretary, budget and finance, management improvement, property management, personnel, administrative services, inspection, and security operations are carried on

4. *General services.*—Provision is made for services such as printing and binding, telephone, health, and library.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	310	299	299
	Full-time equivalent of all other positions	1	2	2
	Average number of all employees	269	288	285
	Number of employees at end of year	265	288	285
	Average GS grade and salary	9.0 $6,983	9.1 $6,991	9.1 $7,091
01	Personal services:			
	Permanent positions	$1,902,518	$2,067,665	$2,067,665
	Positions other than permanent	10,053	18,000	18,000
	Other personal services	9,549	14,135	14,135
	Total personal services	1,922,120	2,099,800	2,099,800
02	Travel	82,427	107,700	104,300
03	Transportation of things	119	300	300
04	Communication services	32,993	35,700	35,500
06	Printing and reproduction	36,861	47,300	45,600
07	Other contractual services	17,833	15,000	15,000
	Services performed by other agencies	42,050	38,200	37,200
08	Supplies and materials	15,003	16,400	15,900
09	Equipment	23,247	7,600	11,300
11	Grants, subsidies, and contributions		131,300	134,500
13	Refunds, awards, and indemnities	1,925		
15	Taxes and assessments	868	700	600
	Total obligations	2,175,446	2,500,000	2,500,000

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$394,046	$390,000	$390,000
Other expense	1,084,483	1,217,235	1,219,275
Chargeoff of inventory	879		
Net gain (−) from the sale of fixed assets	−76		
Total operating costs	1,479,332	1,607,235	1,609,275
Depreciation included above (−)	−13,200	−14,500	−14,500
Adjustment of costs included above not requiring funding	76		
Total operating costs, funded	1,466,208	1,592,735	1,594,775
Capital outlay: Purchase of equipment	26,051	14,000	14,000
Total program costs, funded	1,492,259	1,606,735	1,608,775
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−16,858	
Obligations incurred for costs of other years, net	21,265		
Total program (obligations)	1,513,524	1,589,877	1,608,775
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of goods and services	1,481,808	1,607,235	1,609,275
Sale of equipment	1,330	900	900
Total amounts becoming available	1,483,138	1,608,135	1,610,175
Unobligated balance brought forward	262,048	231,662	249,920
Total amounts available	1,745,186	1,839,797	1,860,095
Unobligated balance carried forward	−231,662	−249,920	−251,320
Financing applied to program	1,513,524	1,589,877	1,608,775

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This fund finances central reproduction, communications, supply, central library, health services, and such other services as may be performed more advantageously on a reimbursable basis (5 U. S. C. 562). The capital consists of $300,000 appropriated, plus donated assets of $175,465. Earnings are retained.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Commodities for sale	$78,373	$84,182	$74,182	$74,182
Materials and supplies	15,373	16,762	16,762	16,762
Unpaid undelivered orders	52,791	66,858	60,000	60,000
Total selected resources at end of year	146,537	167,802	150,944	150,944
Selected resources at start of year (−)	−146,537	−167,802	−150,944	−150,944
Costs financed from obligations of other years, net (−)			−16,858	
Obligations incurred for costs of other years, net		21,265		

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$26,051	$14,000	$14,000
Expense:			
Purchase of commodities for manufacture or sale	402,123	380,000	390,000
Other expense	1,071,283	1,202,735	1,204,775
Increase in selected working capital	155,613		
Total gross expenditures	1,655,070	1,596,735	1,608,775
Receipts from operations (funds provided):			
Revenue	1,481,808	1,607,235	1,609,275
Proceeds from sale of equipment	1,330	900	900
Decrease in selected working capital		74,088	
Total receipts from operations	1,483,138	1,682,223	1,610,175
Budget expenditures	171,932	−85,488	−1,400

Revenue, Expense, and Retained Earnings

Revenue	$1,481,808	$1,607,235	$1,609,275
Expense	1,478,529	1,607,235	1,609,275
Net operating income	3,279		
Nonoperating income or loss (−):			
Proceeds from sale of equipment	1,330	900	900
Net book value of assets sold (−)	−1,254	−900	−900
Net gain from sale of equipment	76		
Chargeoffs of inventory (−)	−879		
Net nonoperating loss (−)	−803		
Net income for the year	2,476		
Retained earnings, beginning of year	42,486	44,962	44,962
Retained earnings, end of year	44,962	44,962	44,962

Financial Condition

Assets:			
Cash with Treasury	$138,754	$224,242	$225,642
Accounts receivable, net	324,088	250,000	250,000
Commodities for sale	84,182	74,182	74,182
Materials and supplies	16,762	16,762	16,762
Machinery and equipment	120,963	119,563	118,163
Total assets	684,749	684,749	684,749
Liabilities:			
Current	164,322	164,322	164,322
Government investment:			
Non-interest-bearing capital:			
Start of year	475,359	475,465	475,465
Net donations during year	106		
End of year	475,465	475,465	475,465
Retained earnings	44,962	44,962	44,962
Total Government investment	520,427	520,427	520,427

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash in Treasury	$310,686	$138,754	$224,242	$225,642
Obligated balance, net:				
Current liabilities	154,668	164,322	164,322	164,322
Unpaid undelivered orders	52,791	66,858	60,000	60,000
Accounts receivable (−)	−158,821	−324,088	−250,000	−250,000
Total obligated balance	48,638	−92,908	−25,678	−25,678
Unobligated balance	262,048	231,662	249,920	251,320

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		138		147		147
Full-time equivalent of all other positions		4		4		4
Average number of all employees		137		149		149
Number of employees at end of year		152		152		152
Average GS grade and salary	4.7	$4,415	4.9	$4,490	4.9	$4,531
Average salary of ungraded positions		$4,390		$4,403		$4,403
01 Personal services:						
Permanent positions		$579,064		$648,028		$649,968
Positions other than permanent		11,714		10,300		10,300
Other personal service		34,517		28,987		28,987
Excess of annual leave earned over leave taken		3,698				
Total personal services		628,993		687,315		689,255
02 Travel		4,756		17,350		17,350
03 Transportation of things		214		150		150
04 Communication services		309,366		320,920		320,920
05 Rents and utility services		673		700		700
06 Printing and reproduction		54,307		62,300		62,300
07 Other contractual services		25,167		24,070		24,070
08 Supplies and materials		429,364		410,700		420,700
09 Equipment		46,149		31,360		31,360
11 Grants, subsidies, and contributions				41,500		41,600
15 Taxes and assessments		468		370		370
Subtotal		1,499,457		1,596,735		1,608,775
Increase or decrease (−) in undelivered orders		14,067		−6,858		
Total obligations		1,513,524		1,589,877		1,608,775

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Standardization of geographic names: Security classified projects	$397,876	$447,995	$446,637
2. Miscellaneous services to other accounts	45,521	17,200	16,500
Total obligations	443,397	465,195	463,137
Financing:			
Unobligated balance brought forward	1,414	2,957	
Advances and reimbursements from—			
Other accounts	445,145	461,438	463,137
Non-Federal sources (40 U. S. C. 481 (c))		800	
Unobligated balance carried forward	−2,957		
Unobligated balance no longer available	205		
Total financing	443,397	465,195	463,137

Object Classification

		1957 actual		1958 estimate		1959 estimate
Total number of permanent positions		82		89		89
Full-time equivalent of all other positions		1				
Average number of all employees		79		83		82
Number of employees at end of year		76		82		82
Average GS grade and salary	6.7	$5,088	6.7	$5,069	6.7	$5,075
01 Personal services:						
Permanent positions		$413,974		$421,107		$418,165
Positions other than permanent		424				
Other personal services		436		1,725		1,935
Total personal services		414,834		422,832		420,100

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel	$2,135	$500	$600
03	Transportation of things	6	10	10
04	Communication services	5,677	5,390	5,490
06	Printing and reproduction	2,682	2,300	1,900
07	Other contractual services	10,702	3,870	4,370
08	Supplies and materials	4,420	3,535	3,440
09	Equipment	2,502	900	100
11	Grants, subsidies, and contributions		25,433	26,512
13	Refunds, awards, and indemnities	15		
15	Taxes and assessments	424	425	615
	Total obligations	443,397	465,195	463,137

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U. S. C. 686): *Provided*, That reimbursements for cost of supplies, materials and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title or in the Public Works Appropriation Act, [1958,] *1959*, shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), when authorized by the Secretary, at rates not to exceed $75 per diem for individuals, and in total amount not to exceed $175,000; maintenance and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U. S. C. 2131 and D. C. Code 4–204). (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

GENERAL PROVISIONS

SEC. 401. Unless otherwise provided by law, appropriations contained in this Act available for expenses of travel shall be available, when specifically authorized by the head of the activity or establishment concerned, for expenses of attendance at meetings of organizations concerned with the function or activity for which the appropriation concerned is made. (*Department of the Interior and Related Agencies Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF THE INTERIOR

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENTAL OFFICES								
Office of Oil and Gas: Salaries and expenses						12	$400	For use of the director, assistant director, other division officials in Washington and the Federal Petroleum Board in the field in connection with inspections.
BONNEVILLE POWER ADMINISTRATION								
Construction, operation, and maintenance							50,000	For use by administrative and supervisory officials, construction and operation engineers, accountants and other employees located in Oregon, Washington, Idaho, and Montana, to carry out their assigned duties.
SOUTHEASTERN POWER ADMINISTRATION								
Operation and maintenance						2		Administrator, engineers, and other employees engaged in operation and maintenance activities (field service).
SOUTHWESTERN POWER ADMINISTRATION								
Operation and maintenance	3	$4,050	3	$900	$3,150	6	750	Power marketing personnel for use throughout the area in connection with rates and customer service. Engineers and operating crews in connection with the operation and maintenance of the system. Administrative personnel for transportation in connection with property audits and meetings concerning fiscal and personnel records and functions.
Station wagon	1	1,800	1	300	1,500	9		Do.
Total, Southwestern Power Administration	4	5,850	4	1,200	4,650	15	750	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF THE INTERIOR—Continued]

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BUREAU OF LAND MANAGEMENT								
Management of lands and resources	24	$36,000	24	$3,500	$32,500	88		For use by supervisory officials; area and district personnel in the administration of public grazing lands, forest management, fire presuppression and suppression in widely scattered areas; surveys, investigations and examinations by field examiners and surveyors.
Station wagon	4	7,800	4	800	7,000	6		Do.
Bus						1		Do.
Coupe pickup						38		Do.
Total, Bureau of Land Management	28	43,800	28	4,300	39,500	133		
BUREAU OF INDIAN AFFAIRS								
Education and welfare services	67	100,500	67	10,050	90,450	189	$46,000	For use in transporting pupils to school. For education work, relocation services, law and order services, and welfare services, for various reservations and schools.
Station wagon	7	13,650	7	1,225	12,425	33	4,000	Do.
Bus	40	120,000	40	8,000	112,000	256		Do.
Ambulance						4		Do.
Coupe pickup						19		Do.
Resources management	65	97,500	65	9,750	87,750	150	27,000	For use by field supervisory staff in the management of Indian forests and range resources, agriculture and extension, soil conservation, Indian trust property, maintenance of irrigation projects and maintenance and repair of buildings and utilities.
Station wagon	15	29,250	15	2,625	26,625	28	3,000	Do.
Coupe pickup						66		Do.
Construction	18	27,000	18	2,700	24,300	36	6,000	For use by supervisory staff and engineers in the construction of buildings and utilities and irrigation projects.
Station wagon	3	5,850	3	525	5,325	10		Do.
Coupe pickup						11		Do.
Road construction and maintenance (liquidation of contract authorization).	15	22,500	15	2,250	20,250	28	6,000	For use by supervisory staff and engineers in the construction and maintenance of roads and trails.
Station wagon						8		Do.
General administrative expenses	17	25,500	17	2,550	22,950	93	8,000	For use by administrative and supervisory staff in the administration of field activities of the Bureau of Indian Affairs.
Station wagon						7		Do.
Coupe pickup						4		Do.
Operation and maintenance, etc., power systems, Indian irrigation projects.	3	4,500	3	450	4,050	6		For use by designated staff and foremen on irrigation projects.
Station wagon						2		Do.
Coupe pickup						6		Do.
Indian tribal funds and Indian moneys, proceeds of labor.						52		For use by tribal officers and regular administrative personnel for tribal and general administration.
Station wagon						4		Do.
Bus						3		Do.
Coupe pickup						5		Do.
Operation and maintenance collections, Indian irrigation projects.	15	22,500	15	2,250	20,250	18		For use by designated staff and foremen on irrigation projects.
Station wagon						15		Do.
Coupe pickup						26		Do.
Total, Bureau of Indian Affairs	265	468,750	265	42,375	426,375	1,079	100,000	
BUREAU OF RECLAMATION								
General investigations	8	12,000	8	2,000	10,000	58	3,800	To provide necessary transportation for survey parties, engineers and other specialized technicians and their supervisors engaged in the field investigation and planning of irrigation projects.
Station wagon						1	1,000	Do.
Construction and rehabilitation	46	69,000	46	10,250	58,750	257	[1] 26,600	To provide essential transportation for engineers, survey parties, inspectors and supervisory personnel in connection with the construction of irrigation structures and related works in the 17 Western States.
Station wagon	[2] 7	13,650	5	400	13,250	17	1,000	Do.
Bus						2		Do.
Operation and maintenance	39	58,500	[2] 41	8,250	50,250	174	2,300	For use of ditch riders, watermasters, engineers, and other employees while engaged in the operation and maintenance of irrigation and power projects and field supervision of such work.
Station wagon	3	5,750	3	600	5,150	20	1,600	Do.
Bus						3		Do.
Ambulance						3		For emergency use of Bureau personnel.
General administrative expenses	2	3,000	2	450	2,550	7	11,060	For use of Bureau of Reclamation employees in connection with supervision and staff work.
Upper Colorado River Basin fund	4	6,000	4	1,200	4,800	30	6,000	To provide essential transportation for engineers, survey parties, inspectors, and supervisory personnel in connection with the upper Colorado River storage and participating projects.
Station wagon						2		Do.
Ambulance	1	2,000			2,000			For emergency use of Bureau personnel.
Total, Bureau of Reclamation	110	169,900	109	23,150	146,750	574	53,360	

[1] Funds for reimbursement to General Services Administration for hire of pool vehicles.
[2] Two sedans will be replaced by station wagons.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF THE INTERIOR—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
GEOLOGICAL SURVEY								
Surveys, investigations, and research	100	$147,100	85	$22,050	$124,800	318	[3] $80,000	For use by engineers, geologists, and other employees in the conduct of topographic and geologic surveys and mapping, water resources investigations, land classification, and mine and oil and gas inspection work.
Station wagon	12	22,400	6	1,900	20,500	50		Do.
Coupe pickup			1	250				Do.
Total, Geological Survey	112	169,500	92	24,200	145,300	368	80,000	
BUREAU OF MINES								
Conservation and development of mineral resources	10	15,000	10	1,900	13,100	106	50,717	For use of mining engineers, metallurgists, other technical personnel, and other employees in connection with the conservation and development of minerals program.
Station wagon	1	1,950	1	200	1,750	24		Do.
Bus						5		For transportation of employees from town to plants and transportation of schoolchildren.
Health and safety	63	94,500	63	6,300	88,200	254	25,000	Used by safety engineers, coal mine inspectors, and other personnel in carrying out the duties pertaining to health and safety.
Station wagon						6		Do.
General administrative expenses						1	739	For use of officials and other personnel of the administrative staff.
Development and operation of helium properties	4	6,000	4	700	5,300	12		For use of technical personnel, engineers, and administrative personnel in connection with the acquisition, construction, development, and operation of helium plants, helium-bearing natural gas fields and pipelines; and the business work required in the production and sale of helium.
Station wagon						5		Do.
Bus						4		For transportation of employees from town to plants and transportation of schoolchildren.
Total, Bureau of Mines	78	117,450	78	9,100	108,350	417	76,456	
NATIONAL PARK SERVICE								
Management and protection	61	91,500	61	16,790	74,710	196		For use of the director, regional directors, superintendents, U. S. Park Police, and other employees engaged in the administration, protection, maintenance, operation, and development of areas administered by the National Park Service; in making studies and investigations of recreational potentialities of river basin areas; soil and moisture conservation operations; and carrying out duties incidental to those activities.
Station wagon	4	7,800	4	1,700	6,100	35		
Bus						3		
Ambulance						2		
Coupe pickup	11	16,500	11	2,200	14,300	49		
Maintenance and rehabilitation of physical facilities	6	9,000	6	1,250	7,750	20		
Station wagon	2	3,900	2	400	3,500	6		
Coupe pickup						5		
Construction						2		
Station wagon						1		
General administrative expenses						5		
Station wagon						1		
Total, National Park Service	84	128,700	84	22,340	106,360	325		
FISH AND WILDLIFE SERVICE								
BUREAU OF SPORT FISHERIES AND WILDLIFE								
Management and investigations of resources	37	55,500	30	6,500	49,000	154	40,200	Used by agents in enforcing wildlife protective laws, by field men supervising fish culture, refuge and rodent and predator control activities; by wildlife biologists conducting field investigations; by biologists and engineers in river basin studies.
Station wagon	5	9,750	3	900	8,850	28		Do.
Coupe pickup						4		Do.
Construction						7		Used by engineers in connection with design, inspection and supervision of construction of hatchery and refuge buildings and other structures.
Station wagon						1		Do.
General administrative expenses							3,500	Used by director and regional director making field inspections.
Federal aid in fish restoration and management (receipt limitation)						1		Used by fishery management biologists and fiscal auditors for inspections of fish restoration projects.
Federal aid in wildlife restoration						13		Used by wildlife management biologists and fiscal auditors for inspection of wildlife restoration projects and by appraisers in connection with acquisition of wildlife restoration lands.
Station wagon						2		Do.
Management of national wildlife refuges	8	12,000	8	1,600	10,400	18		Used by U. S. game management agents enforcing wildlife protective laws.
Station wagon	4	7,800	4	800	7,000	2		Do.
Migratory bird conservation account	33	49,500	33	6,600	42,900	25	10,300	Used by engineers and biologists making inspections and supervising refuges; negotiators and surveyors in connection with acquisition of refuge lands, and by U. S. game management agents and deputies in enforcing activities under the Migratory Bird Treaty Act and the Migratory Waterfowl Hunting Stamp Act; by biologists making surveys and inspections in connection with river basin studies.
Station wagon	3	5,850	3	600	5,250	38		Do.
Total, Bureau of Sport Fisheries and Wildlife	90	140,400	81	17,000	123,400	293	54,000	

[3] Includes $5,000 for rentals from commercial sources.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF THE INTERIOR—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FISH AND WILDLIFE SERVICE—Con.								
BUREAU OF COMMERCIAL FISHERIES								
Management and investigations of resources.	4	$6,000	4	$510	$5,490	42	$16,500	Used by agents in enforcing fish protective laws; by fishery biologists in conducting fishery investigations and field agents collecting fishery statistics.
Station wagon						26		Do.
Administration of Pribilof Islands						2		Used by agents and personnel in sealing activities and administration of Pribilof Islands.
Coupe pickup						1		Do.
Promote and develop fishery products and research pertaining to American fisheries.	8	12,000	7	490	11,510	4	15,000	Used by marketing specialists in collecting fishery statistics and conducting marketing programs at various field stations; by biologists in conducting fishery investigations.
Station wagon	3	5,850	3	600	5,250	2		Do.
Contributed funds: Station wagon	1	1,950	1	200	1,750			Used by biologists conducting field research in connection with the Great Lakes Fisheries Commission program.
Total, Bureau of Commercial Fisheries.	16	25,800	15	1,800	24,000	77	31,500	
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE								
Salaries and expenses							500	Used by the Commissioner, directors of headquarters divisions in conducting executive functions for the Service; by information specialists compiling fish and wildlife data for public use.
Station wagon						1		Do.
Total, Fish and Wildlife Service.	106	166,200	96	18,800	147,400	371	86,000	
OFFICE OF TERRITORIES								
Administration of Territories						59		For official business of the Governors of Alaska, Virgin Islands, Guam, American Samoa; and the Government Secretary Administrator for St. Croix, and Department of Finance, St. Thomas in the Virgin Islands.
Station wagon						1		For official business of the Governor of the Virgin Islands.
Ambulance						4		For use of the Governors of the Virgin Islands, Guam, and American Samoa.
Bus						9		For transportation of employees and school children in American Samoa and the Virgin Islands.
Trust Territory of the Pacific Islands						8		For official business of the High Commissioner of the Trust Territory.
Station wagon						1		Do.
Ambulance						7		Do.
Alaska public works						7		For use in supervising construction work and other official business.
Station wagon						1		Do.
Alaska Railroad revolving fund						12		For official business at Anchorage, Seward, Whittier, Fairbanks, and Seattle.
Station wagon						1		Do.
Virgin Islands Corporation: Operating fund.	1	1,500	1	300	1,200	5		President and department managers: Transportation while performing their duties in conducting the business of the Corporation.
Station wagon						1		Messenger: Receipt and delivery of mail and other activities connected with the business of the Corporation.
Total, Office of Territories	1	1,500	1	300	1,200	116		
OFFICE OF THE SECRETARY								
Salaries and expenses	1	5,500	1	500	5,000	2	2,000	For use of Secretary, Under Secretary, assistant secretaries, heads of offices, and field representatives in making field investigations.
Total, Department of the Interior.	789	1,277,150	758	146,265	1,130,885	3,414	448,966	

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

DEPARTMENT OF THE INTERIOR

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BONNEVILLE POWER ADMINISTRATION								
Construction, operation, and maintenance.	1	$42,000	1	$20,000	$22,000	2	$40,000	Helicopters used by maintenance personnel for routine and emergency line patrol and for emergency line maintenance at high altitude locations during the winter months, and by survey personnel for reconnaissance in connection with the preliminary location of new lines. Also used for routine and emergency microwave communication maintenance, especially during the winter months, at high altitude locations.
BUREAU OF LAND MANAGEMENT								
Management of lands and resources	1	18,000	1	5,000	13,000	6	19,856	Used in Alaska only for fire patrol and transporting fire-fighting crews and equipment. Also for transporting forest management personnel.
BUREAU OF RECLAMATION								
Construction and rehabilitation	1	100,000			100,000	4	59,750	For official use of supervisory employees of the Bureau in the construction and rehabilitation program, at regional and project levels, and for the use of employees of the commissioner's office in Denver and Washington, when traveling from Denver to regional offices and to the work sites.
Operation and maintenance						1	12,455	For the official use of Bureau employees, power and operation and maintenance personnel, in patrolling transmission lines and other field work.
Total, Bureau of Reclamation	1	100,000			100,000	5	72,205	
GEOLOGICAL SURVEY								
Surveys, investigations, and research						2	[1] 40,000	For use by geologists and geophysicists in geophysical exploration.
NATIONAL PARK SERVICE								
Management and protection	1	10,000			10,000			For use by employees of Everglades National Park, Fla., in connection with management and protection activities including patrol to detect and prevent poaching and illegal hunting and fishing in the park; for protection of visitors (search and rescue work); and for fire detection.
FISH AND WILDLIFE SERVICE								
BUREAU OF SPORT FISHERIES AND WILDLIFE								
Management and investigations of resources.	3	39,000	3	5,000	34,000	16	81,000	Used by agents for enforcing fish and game protective laws, and by wildlife management biologists in refuge operations and management activities, and by hunters in predatory animal control.
Federal aid in wildlife restoration	1	9,000	1	1,200	7,800		5,000	Used by biologists in carrying out the purposes of Federal Aid Act.
Federal aid in fish restoration and management.						1	5,000	Used by biologists in carrying out the purposes of Federal Aid Act.
Migratory bird conservation account	2	16,000	2	2,000	14,000	6	30,000	Used by biologists making waterfowl surveys and by game management agents for enforcing bird protective laws.
Management of national wildlife refuges.	2	30,000	2	5,000	25,000	7	35,000	Used by management agents for enforcing game protective laws.
Total, Bureau of Sport Fisheries and Wildlife.	8	94,000	8	13,200	80,800	30	156,000	
BUREAU OF COMMERCIAL FISHERIES								
Management and investigations of resources.	1	20,000	1	2,000	18,000	12	102,000	Used by agents for enforcing fish protective laws.
Promote and develop fishery products and research pertaining to American fisheries.						1	3,000	Used by biologists in red tide investigations.
Total, Bureau of Commercial Fisheries.	1	20,000	1	2,000	18,000	13	105,000	
Total, Fish and Wildlife Service.	9	114,000	9	15,200	98,800	43	261,000	
Total, Department of the Interior.	13	284,000	11	40,200	243,800	58	433,061	

[1] An additional $5,000 is chargeable to reimbursements from other accounts.

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DEPARTMENT OF JUSTICE

The 1959 request for new obligational authority for the Department of Justice totals $230.2 million compared with $227.2 million estimated for 1958. Most of the Department's budget is devoted to protective services and alien control, with 17% of the total for the legal activities, 44% for the Federal Bureau of Investigation, and 21% for the Immigration and Naturalization Service. No funds have been included in the budget for major new construction. Additional workloads anticipated in 1959 will be met in part by a continued effort to improve management and increase staff efficiency and in part by changes in the number of employees assigned to various activities.

Protective services.—In the work of its law offices, which prosecute Federal offenders and protect the public interest in civil matters, the Department has made substantial progress over the past several years in reducing litigation backlogs to more manageable levels. The special appropriation entitled "Special temporary attorneys and assistants" which was provided in 1958 and 2 prior years to deal with the situation is being dropped in 1959.

The budget provides for fully staffing the recently established civil rights division, for increased workloads in the fields of tax, civil, and lands litigation, and for increases in the general expenses associated with litigation, both civil and criminal.

A supplemental appropriation for 1958 is anticipated to meet the cost of witnesses needed on behalf of the Government because the original appropriation now appears to be inadequate.

The upward trend in most classes of criminal offenses is expected to continue in 1959, increasing the workload of the Federal Bureau of Investigation. This upward trend will be accompanied by an increase in fingerprint work, name checks, and technical services. The increased workload will be absorbed by continued emphasis on improved methods and procedures.

Alien control.—No increase in funds are requested for the Immigration and Naturalization Service. Workloads are up in most areas but adherence to good management practices and constant vigilance to improve and simplify procedures will offset the increased costs involved. In addition to the normal workload, the Service will this year and next carry on the additional work which will result from the Immigration and Nationality Act amendments enacted in 1957.

A proposed construction program for replacing outmoded border stations, for which funds were requested but not granted by the Congress in 1958, is being further deferred.

Correctional and penal institutions.—Since 1949, inmate population of penal institutions maintained by the Department for violators of Federal laws has been growing. In 1957 the average daily inmate population was 20,332. The forecast for 1959 is 20,800. The budget includes funds to care for the additional inmates as well as to meet rises in per capita costs which have occurred for subsistence and other items. An increase in the number of recalcitrant prisoners required a diversion of 1958 funds from maintenance and equipment to increase the custodial staff. The 1959 estimates restore items deferred in 1958 and provide an increase in the maintenance and equipment levels.

The first stage of a new powerplant at the penitentiary at Lewisburg, Pa., is the only recommended construction in addition to the normal repair and minor construction projects. The proposed construction of two new penal institutions, for which funds were requested but not granted by the Congress in previous years, is being further deferred.

A supplemental appropriation for 1958 is anticipated to meet the cost of an increase in the number of Federal prisoners held in local jails while awaiting trial or transfer after conviction, or while serving short sentences.

Regulation of commerce and finance.—Funds requested for antitrust activities will maintain the same program level as in 1958.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Labor and welfare:						
216 Correctional and penal institutions	$35,210	$36,000	$37,300	$32,092	$34,157	$35,596
Commerce and housing:						
519 Regulation of commerce and finance	3,569	3,785	3,800	3,582	3,773	3,799
General government:						
608 Protective services and alien control	177,565	187,420	189,090	178,671	184,999	188,442
Total, Department of Justice	216,344	227,205	230,190	214,345	222,929	227,837

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION							
Current authorizations:							
Salaries and expenses, general administration	608	$2,964,710	$3,204,600	$3,200,000	$2,896,386	$3,118,840	$3,199,135
Salaries and expenses, general legal activities	608	10,130,230	10,845,400	11,350,000	9,856,631	10,623,250	11,254,890
Salaries and expenses, Antitrust Division	519	3,568,650	3,785,000	3,800,000	3,581,869	3,773,229	3,798,666
Salaries and expenses, United States attorneys and marshals	608	19,250,000	20,150,000	20,430,000	19,156,724	19,810,353	20,380,842
Fees and expenses of witnesses	608	1,750,000	1,550,000	1,800,000	1,714,684	1,566,891	1,794,154
Salaries and expenses, claims of persons of Japanese ancestry	608	210,000	220,000	210,000	202,427	206,221	211,100
Special temporary attorneys and assistants	608	300,000	150,000	----------	317,070	156,400	8,040
Proposed for later transmission (under existing legislation):							
Fees and expenses of witnesses	608	----------	250,000	----------	----------	225,000	25,000
Total, legal activities and general administration	------	38,173,650	40,155,000	40,790,000	37,725,791	39,480,184	40,671,827
FEDERAL BUREAU OF INVESTIGATION							
Current authorizations:							
Salaries and expenses	608	95,510,000	101,450,000	102,500,000	96,643,051	100,999,000	102,121,941
IMMIGRATION AND NATURALIZATION SERVICE							
Current authorizations:							
Salaries and expenses	608	47,450,000	49,600,000	49,600,000	47,883,559	48,292,284	49,447,000
FEDERAL PRISON SYSTEM							
Current authorizations:							
Salaries and expenses, Bureau of Prisons	216	30,735,000	32,200,000	33,000,000	30,725,438	32,165,567	32,941,000
Buildings and facilities	216	1,675,000	1,000,000	1,500,000	1,100,014	1,200,000	2,100,000
Support of United States prisoners	216	2,800,000	2,550,000	2,800,000	2,618,966	2,547,521	2,793,000
Intragovernmental funds:							
Federal Prison Industries, Incorporated:							
Prison industries fund	216	----------	----------	----------	−2,351,907	−2,005,862	−2,238,000
Limitation on administrative and vocational expenses	------	(950,000)	(1,000,000)	(1,067,000)			
Proposed for later transmission (under existing legislation):							
Support of United States prisoners	216	----------	250,000	----------	----------	250,000	----------
Total, Federal Prison System	------	35,210,000	36,000,000	37,300,000	32,092,511	34,157,226	35,596,000
OFFICE OF ALIEN PROPERTY							
Current authorizations:							
Limitation on salaries and expenses (trust fund)	------	(3,000,000)	(2,935,000)	(2,500,000)	----------	----------	----------
Total new obligational authority and budget expenditures	------	216,343,650	227,205,000	230,190,000	214,344,912	222,928,694	227,836,768
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations	------	$216,343,650	$226,705,000	$230,190,000	$214,344,912	$222,453,694	$227,811,768
Proposed for later transmission:							
Appropriations	------	----------	500,000	----------	----------	475,000	25,000
Total new obligational authority and budget expenditures	------	216,343,650	227,205,000	230,190,000	214,344,912	222,928,694	227,836,768

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION											
Current authorizations:											
Salaries and expenses, general administration		$170		$200		$286	$3,200	$2,918	$281		$287
Salaries and expenses, general legal activities		877		1,155		1,377	11,350	10,033	1,222		1,472
Salaries and expenses, Antitrust Division		283		225		236	3,800	3,572	227		237
Salaries and expenses, United States attorneys and marshals		739		821		1,161	20,430	19,409	972		1,210
Fees and expenses of witnesses		36		60		43	1,800	1,753	41		49
Salaries and expenses, claims of persons of Japanese ancestry		19		10		24	210	187	24		23
Special temporary attorneys and assistants		33		15		8			8		
Proposed for later transmission (under existing legislation):											
Fees and expenses of witnesses						25			25		
Total, legal activities and general administration		2,157		2,486		3,160	40,790	37,872	2,800		3,278
FEDERAL BUREAU OF INVESTIGATION											
Current authorizations:											
Salaries and expenses		5,802		4,437		4,888	102,500	97,260	4,862		5,266
IMMIGRATION AND NATURALIZATION SERVICE											
Current authorizations:											
Salaries and expenses		3,317		2,671		3,979	49,600	45,510	3,937		4,132
FEDERAL PRISON SYSTEM											
Current authorizations:											
Salaries and expenses, Bureau of Prisons		2,018		2,034		2,069	33,000	30,876	2,065		2,128
Buildings and facilities	$245	927	$896	1,502	$425	1,302	1,500	798	1,302	$224	702
Support of United States prisoners		428		368		370	2,800	2,423	370		377
Intragovernmental funds:											
Federal Prison Industries, Incorporated: Prison industries fund	9,734	3,549	11,168	4,401	10,658	4,007			−2,238	10,004	[1] 4,045
Total, Federal Prison System	9,979	6,922	12,064	8,305	11,083	7,748	37,300	34,097	1,499	10,228	7,252
Total, Department of Justice	9,979	18,198	12,064	17,899	11,083	19,775	230,190	214,739	13,098	10,228	19,928
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$245	$14,649	$896	$13,498	$425	$15,743	$230,190	$214,739	$13,073	$224	$15,883
Revolving and management funds: Intragovernmental funds	9,734	3,549	11,168	4,401	10,658	4,007				10,004	[1] 4,045
Proposed for later transmission:											
Appropriations						25			25		
Total, Department of Justice	9,979	18,198	12,064	17,899	11,083	19,775	230,190	214,739	13,098	10,228	19,928

[1] Excludes capital transfer (payment of dividend to Treasury) in 1959 of $2,200 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$14,649	$13,498	$15,743
Revolving and management funds	3,549	4,401	4,007
Proposed for later transmission: Appropriations			25
Total balances brought forward	18,198	17,899	19,775
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	216,344	226,705	230,190
Proposed for later transmission: Appropriations		500	
Total new obligational authority	216,344	227,205	230,190
Other amounts available:			
Restored from certified claims account	167		
Adjustment of balances upward in expired accounts, net	44		
Total other amounts available	211		
Total budget authorizations available	234,753	245,104	249,965
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	214,345	222,454	214,739
Out of balances of prior obligational authority			13,073
Total expenditures from obligational authority enacted or recommended	214,345	222,454	227,812
From obligational authority proposed for later transmission:			
Out of new obligational authority		475	
Out of balances of prior obligational authority			25
Total budget expenditures	214,345	222,929	227,837
Amounts no longer available:			
Unobligated balances expiring and lapsing	1,009		
Capital transfers from revolving funds to receipt accounts	1,500	2,400	2,200
Total amounts no longer available	2,509	2,400	2,200
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	13,498	15,743	15,883
Revolving and management funds	4,401	4,007	4,045
Proposed for later transmission: Appropriations		25	
Total balances carried forward at close of year	17,899	19,775	19,928
Obligations incurred, net	$211,750	$225,786	$229,069

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

For expenses necessary for the administration of the Department of Justice [and for examination of judicial offices], including *purchase (not to exceed two for replacement only, including one at not to exceed $4,500) and* hire of passenger motor vehicles; expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; and miscellaneous and emergency expenses authorized or approved by the Attorney General or his Administrative Assistant; [$3,250,000] *$3,200,000. (5 U. S. C. A. 291, note, 294, 310, 341; 8 U. S. C. 1103; 18 U. S. C. 4201–7; 13 Stat. 516; Department of Justice Appropriation Act, 1958.)*

Appropriated 1958, **$3,250,000** Estimate 1959, **$3,200,000**
Appropriated (adjusted) 1958, **$3,204,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Executive direction	$514,910	$619,500	$620,000
2. Administrative review and appeals	555,871	612,420	619,410
3. Administrative services	1,855,370	1,972,680	1,960,590
Total direct obligations	2,926,151	3,204,600	3,200,000
Reimbursable obligations:			
4. Administrative services	120,000	100,000	100,000
Total obligations	3,046,151	3,304,600	3,300,000
Financing:			
Advances and reimbursements from other accounts	−120,000	−100,000	−100,000
Unobligated balance no longer available	38,619		
New obligational authority	2,964,770	3,204,600	3,200,000
New obligational authority:			
Appropriation	$2,900,000	$3,250,000	$3,200,000
Transferred to "Salaries and expenses, general legal activities" (5 U. S. C. 291)		−45,400	
Transferred (5 U. S. C. 291) from—			
"Salaries and expenses, general legal activities"	39,770		
"Salaries and expenses, Antitrust Division"	25,000		
Appropriation (adjusted)	2,964,770	3,204,600	3,200,000

2. *Administrative reviews and appeals.*—In addition to reviews of requests for pardon, these include the work of the Board of Parole and of the Board of Immigration Appeals. The following tables show the 1957 workloads of these boards:

BOARD OF PAROLE

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Paroles considered	13,161	12,665	12,900	13,300
Paroles denied	7,506	6,831	6,800	7,000
Paroles granted	1,133	4,426	4,500	4,600
Under supervision:				
Parolees	5,133	5,349	5,400	5,400
Conditional releasees	1,522	1,725	1,800	1,800

The decline in paroles in 1957 is a reflection of longer sentences.

BOARD OF IMMIGRATION APPEALS

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Cases pending, beginning of year	471	638	286	261
Cases received	4,491	2,746	2,600	2,800
Cases closed	4,324	3,098	2,625	2,800
Cases pending, end of year	638	286	261	261

3. *Administrative services.*—The administrative division furnishes departmentwide management administrative services to the smaller offices and divisions, and for the larger divisions and bureaus when such functions can be more effectively and economically performed centrally.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	557	569	560
Full-time equivalent of all other positions	1	1	1
Average number of all employees	519	535	527
Number of employees at end of year	515	530	522
Average GS grade and salary	6.1 $5,023	6.2 $5,116	6.2 $5,181
Average salary of ungraded positions	$4,069	$4,090	$4,117
Personal service obligations:			
Permanent positions	$2,595,107	$2,744,945	$2,735,910
Positions other than permanent	13,354	6,000	6,000
Other personal services	23,073	20,175	20,190
Total personal service obligations	2,631,534	2,771,120	2,762,100
Direct obligations:			
01 Personal services	2,520,264	2,671,120	2,662,100
02 Travel	71,126	77,100	54,600
03 Transportation of things	818	800	800
04 Communication services	25,510	25,200	25,200
05 Rents and utility services	31,243	31,300	31,300
06 Printing and reproduction	47,407	44,900	44,900
07 Other contractual services	54,335	45,260	45,360
08 Supplies and materials	34,509	28,700	28,700
09 Equipment	137,595	103,500	127,300
11 Grants, subsidies, and contributions		176,170	179,440
13 Refunds, awards, and indemnities	1,922		
15 Taxes and assessments	1,422	550	300
Total direct obligations	2,926,151	3,204,600	3,200,000
Reimbursable obligations:			
01 Personal services	111,270	100,000	100,000
06 Printing and reproduction	120		
08 Supplies and materials	130		
09 Equipment	8,480		
Total reimbursable obligations	120,000	100,000	100,000
Total obligations	3,046,151	3,304,600	3,300,000

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including miscellaneous and emergency expenses authorized or approved by the Attorney General or his Administrative Assistant; and advances of public moneys pursuant to law (31 U. S. C. 529); [$10,800,000] *$11,350,000. (5 U. S. C. 22, 291, 293, 295, 310, 315, 341; Department of Justice Appropriation Act, 1958.)*

Appropriated 1958, **$10,800,000** Estimate 1959, **$11,350,000**
Appropriated (adjusted) 1958, **$10,845,400**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Conduct of Supreme Court proceedings and coordination of appellate matters	$312,813	$349,600	$375,000
2. General tax matters	1,717,733	1,860,000	1,970,000
3. Criminal matters	1,200,363	1,274,700	1,275,000
4. Claims, customs, and general civil matters	2,626,537	2,809,500	2,865,000
5. Land matters	2,569,840	2,640,000	2,800,000
6. Legal opinions	295,062	396,500	400,000
7. Internal security matters	1,237,681	1,367,100	1,175,000
8. Civil rights matters	79,811	148,000	490,000
Total obligations	10,039,840	10,845,400	11,350,000
Financing:			
Unobligated balance no longer available	90,390		
New obligational authority	10,130,230	10,845,400	11,350,000
New obligational authority:			
Appropriation	$10,320,000	$10,800,000	$11,350,000
Transferred from "Salaries and expenses, general administration" (5 U. S. C. 291)		45,400	
Transferred to—			
"Salaries and expenses, general administration" (5 U. S. C. 291)	−39,770		
Salaries and expenses, United States attorneys and marshals" (71 Stat. 185)	−150,000		
Appropriation (adjusted)	10,130,230	10,845,400	11,350,000

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES—Con.

These are activities which are carried on by the Department's law offices, except the Antitrust Division, which has a separate appropriation.

1. *Conduct of Supreme Court proceedings and coordination of appellate matters.*—This consists of supervising and controlling all appellate matters and representing the Government before the Supreme Court.

2. *General tax matters.*—Cases arising under the internal revenue laws and other tax statutes are prosecuted or defended.

CASELOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Pending, beginning of year	6,210	5,064	4,685	4,547
Received	4,827	5,225	5,746	6,320
Terminated	5,973	5,604	5,884	6,446
Pending, end of year	5,064	4,685	4,547	4,421

3. *Criminal matters.*—These cover all actions in criminal law except tax, internal security, antitrust matters, and civil rights matters in 1958 and 1959.

CASELOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Pending, beginning of year	463	284	187	163
Received	4,786	4,045	4,085	4,200
Terminated	4,965	4,115	4,109	4,203
Pending, end of year	284	214	163	160

4. *Claims, customs, and general civil matters.*—These cover the prosecution or defense of civil suits and claims of the Government except tax, land, civil rights, and alien property matters.

CASELOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Pending, beginning of year	35,721	29,458	14,024	15,636
Received	14,786	9,649	10,575	10,700
Terminated	21,049	25,083	8,963	9,400
Pending, end of year	29,458	14,024	15,636	16,936

Changes in 1958 reflect delegations of certain types of cases to United States attorneys' offices in the field.

5. *Lands matters.*—These consist of all civil suits and matters relating to title, possession, and use of Federal land and natural resources, and representation of the United States in all civil litigation pertaining to Indians and Indian affairs.

6. *Legal opinions.*—Opinions are prepared for the President and executive agencies, and proposed Executive orders and proclamations of the President are reviewed with respect to form and legality.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Executive Orders and opinions	450	539	571	571
Special assignments	1,065	1,081	1,117	1,117
Conscientious objector cases	1,076	1,089	1,300	1,300
Administrative procedures studies and opinions	-----	89	174	174

7. *Internal security matters.*—Litigation and related matters pertaining to the internal security of the United States are handled.

8. *Civil rights matters.*—Matters relating to securing and protecting the civil rights of persons within the jurisdiction of the United States pursuant to the provisions of Public Law 85–315, approved September 9, 1957, and related statutes.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,295	1,319	1,355
Full-time equivalent of all other positions	30	24	18
Average number of all employees	1,199	1,244	1,291
Number of employees at end of year	1,228	1,250	1,284
Average GS grade and salary	8.8 $6,658	8.9 $6,752	8.8 $6,769
01 Personal services:			
Permanent positions	$7,865,571	$8,316,630	$8,665,790
Positions other than permanent	197,599	166,300	123,600
Other personal services	12,872	36,360	36,950
Total personal services	8,076,033	8,519,290	8,826,340
02 Travel	345,054	343,600	345,500
03 Transportation of things	4,822	2,700	2,700
04 Communication services	100,591	97,100	101,750
05 Rents and utility services	2,017	600	-----
06 Printing and reproduction	314,141	315,500	357,500
07 Other contractual services	1,012,836	921,600	1,023,650
08 Supplies and materials	56,196	49,500	55,000
09 Equipment	115,535	59,300	75,800
11 Grants, subsidies, and contributions	-----	530,090	555,640
13 Refunds, awards, and indemnities	4,250	-----	-----
15 Taxes and assessments	8,365	6,120	6,120
Total obligations	10,039,840	10,845,400	11,350,000

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, [$3,785,000] *$3,800,000*: *Provided,* That none of this appropriation shall be expended for the establishment and maintenance of permanent regional offices of the Antitrust Division. *(5 U. S. C. 295, 310, 315, 341; 15 U. S. C. 1–34; Department of Justice Appropriation Act, 1958.)*

Appropriated 1958, **$3,785,000** Estimate 1959, **$3,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Enforcement of antitrust and kindred laws (total obligations)	$3,538,986	$3,785,000	$3,800,000
Financing:			
Unobligated balance no longer available	29,664	-----	-----
New obligational authority	3,568,650	3,785,000	3,800,000
New obligational authority:			
Appropriation	$3,593,650	$3,785,000	$3,800,000
Transferred to "Salaries and expenses, general administration" (5 U. S. C. 291)	−25,000	-----	-----
Appropriation (adjusted)	3,568,650	3,785,000	3,800,000

The Division administers and enforces the antitrust laws and related statutes. The following table shows the caseload over the past 3 years:

	1955	*1956*	*1957*
Cases—			
Pending, beginning of year	110	116	97
Filed	47	48	55
Terminated	41	67	50
Pending, end of year	116	97	102

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	482	482	482
Full-time equivalent of all other positions	11	8	4
Average number of all employees	449	471	464
Number of employees at end of year	472	460	460
Average GS grade and salary	9.2 $6,880	8.9 $6,769	9.0 $6,889
01 Personal services:			
Permanent positions	$3,014,159	$3,148,200	$3,180,300
Positions other than permanent	76,014	53,500	29,500
Other personal services	7,623	17,200	14,800
Total personal services	3,097,796	3,218,900	3,224,600

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Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel	$158,005	$140,000	$140,000
03	Transportation of things	2,306	2,300	2,300
04	Communication services	41,859	35,000	35,000
05	Rents and utility services	510	3,500	3,500
06	Printing and reproduction	47,226	65,000	65,000
07	Other contractual services	123,404	82,300	82,300
08	Supplies and materials	24,598	20,000	20,000
09	Equipment	38,900	20,000	20,000
11	Grants, subsidies, and contributions		196,800	206,700
13	Refunds, awards, and indemnities	35		
15	Taxes and assessments	4,347	1,200	600
	Total obligations	3,538,986	3,785,000	3,800,000

Salaries and Expenses, United States Attorneys and Marshals

For necessary expenses of the offices of United States attorneys and marshals and United States district attorneys in Alaska, including purchase of [one bus at not to exceed $15,000] *ten passenger motor vehicles, including three for replacement only;* services in Alaska in collecting evidence for the United States when specifically directed by the Attorney General, including not to exceed $5,000 for emergencies to be accounted for solely on the certificate of the Attorney General; [and] firearms and ammunition; [$20,150,000] *and expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; $20,430,000,* of which not to exceed $50,000 shall be available for the employment of temporary deputy marshals in lieu of bailiffs at a rate not to exceed $12 per day: *Provided,* That of the amount herein appropriated $15,000 may be used for the emergency replacement of one prisoner-carrying bus upon certificate of the Attorney General. (*5 U. S. C. 320, 341; 18 U. S. C. 4008; 28 U. S. C. 501, 510, 541, 553, 1919; 48 U. S. C. 109, 110; Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$20,150,000** Estimate 1959, **$20,430,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. United States attorneys	$11,185,822	$11,628,800	$11,775,000
2. United States marshals	8,030,259	8,521,200	8,655,000
Total obligations	19,216,081	20,150,000	20,430,000
Financing:			
Unobligated balance no longer available	33,919		
New obligational authority	19,250,000	20,150,000	20,430,000
New obligational authority:			
Appropriation	$19,000,000	$20,150,000	$20,430,000
Transferred (71 Stat. 185) from—			
"Salaries and expenses, general legal activities"	150,000		
"Salaries and expenses," Immigration and Naturalization Service	100,000		
Appropriation (adjusted)	19,250,000	20,150,000	20,430,000

The Government is represented in each of the 94 judicial districts by a United States attorney and a United States marshal. The United States attorney is responsible for the Government's legal interests in his district. The marshal has custody of all Federal offenders until released by the courts or confined in prison. He also acts as agent of the court in the service of process.

The following table shows actual and estimated workloads:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
United States attorneys: Cases:				
Pending, beginning of year	29,979	24,253	23,344	21,844
Filed during year	53,260	52,337	53,000	54,000
Terminated during year	58,813	53,058	54,500	56,000
Pending, end of year	[1] 24,253	[1] 23,344	21,844	19,844

[1] Reflects cases pending at end of fiscal year as reported by the United States attorneys. These cases will not balance mathematically, due to (1) deletion of certain items that were erroneously reported and (2) addition of others that should have been reported in previous fiscal years.

Substantial progress has been made in reducing backlogs to more manageable levels.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
United States marshals:				
Process served	635,056	646,515	671,000	682,000
Defendants arrested	52,373	56,020	60,000	60,000
Prisoners handled	136,430	157,160	165,000	165,000

Object Classification

		1957 actual		1958 estimate		1959 estimate
	Total number of permanent positions	2,647		2,655		2,655
	Full-time equivalent of all other positions	12		10		8
	Average number of all employees	2,596		2,597		2,585
	Number of employees at end of year	2,570		2,625		2,615
	Average GS grade and salary	5.7	$4,627	6.1	$4,763	6.1 $4,839
	Average salary of ungraded positions		$8,461		$8,544	$8,544
01	Personal services:					
	Permanent positions		$14,600,245		$14,925,300	$15,006,100
	Positions other than permanent		103,487		108,900	89,500
	Other personal services		487,647		531,700	549,800
	Total personal services		15,191,379		15,565,900	15,645,400
02	Travel		2,031,577		1,943,800	1,943,800
03	Transportation of things		18,591		21,000	29,300
04	Communication services		479,561		465,000	465,000
05	Rents and utility services		8,850		8,900	8,900
06	Printing and reproduction		243,118		229,400	259,400
07	Other contractual services		866,170		852,400	890,000
08	Supplies and materials		101,299		121,000	112,400
09	Equipment		224,411		232,900	335,000
11	Grants, subsidies, and contributions				645,900	677,000
13	Refunds, awards, and indemnities		2,938			
15	Taxes and assessments		49,320		64,900	64,900
	Subtotal		19,217,214		20,151,100	20,431,100
	Deduct quarters and subsistence charges		1,133		1,100	1,100
	Total obligations		19,216,081		20,150,000	20,430,000

Fees and Expenses of Witnesses

For expenses, mileage, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, and not to exceed $225,000 for such compensation and expenses of witnesses (including expert witnesses) or informants pursuant to section 1 of the Act of July 28, 1950 (5 U. S. C. 341) and sections 4244–48 of title 18, United States Code; [$1,550,000] *$1,800,000*: *Provided,* That no part of the sum herein appropriated shall be used to pay any witness more than one attendance fee for any one calendar day. (*28 U. S. C. 1821–1825, 2072; Constitution of the United States, 6th amendment; Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$1,550,000** Estimate 1959, **$1,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Fact witnesses	$1,551,795	$1,325,000	$1,575,000
2. Expert witnesses	165,347	225,000	225,000
Total obligations	1,717,142	1,550,000	1,800,000
Financing:			
Unobligated balance no longer available	32,858		
Appropriation (new obligational authority)	1,750,000	1,550,000	1,800,000

Fees and expenses are paid to witnesses who appear on behalf of the Government in all cases in which the United States is a party.

1. *Fact witnesses.*—These witnesses testify as to events or facts about which they have personal knowledge. A supplemental for 1958 is proposed for later transmission and appears below.

2. *Expert witnesses.*—The testimony of these witnesses entails the use of special training or information.

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

FEES AND EXPENSES OF WITNESSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services:			
Per diem of witnesses	$352,358	$300,800	$357,500
Per diem in lieu of subsistence	248,683	212,000	252,000
Mileage	843,973	719,500	855,200
Expenses (Government employees)	49,841	42,400	50,400
Mental examinations	56,940	50,300	59,900
Expert witnesses	165,347	225,000	225,000
Total obligations	1,717,142	1,550,000	1,800,000

SALARIES AND EXPENSES, CLAIMS OF PERSONS OF JAPANESE ANCESTRY

For administrative expenses necessary for payment of claims of persons of Japanese ancestry, pursuant to the Act of July 2, 1948 (50 App. U. S. C. 1981–1987), [$220,000] *$210,000.* (*Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$220,000** Estimate 1959, **$210,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Adjudication expenses (total obligations)	$196,602	$220,000	$210,000
Financing:			
Unobligated balance no longer available	13,398		
Appropriation (new obligational authority)	210,000	220,000	210,000

The Attorney General has jurisdiction to compromise, settle, and also make an award, not to exceed $100,000, on claims filed by American citizens of Japanese descent because of their forced removal from their homes in Hawaii, Alaska, and the far western States early in 1942. It is expected that this program will be completed in 1959.

The following table shows actual and estimated workloads:

Claims—	*1956 actual*	*1957 actual*	*1958 estimate*	*1959 estimate*
Pending, beginning of year	2,141	1,752	1,263	633
Reopened	4	2,235	----	----
	2,145	3,987	1,263	633
Closed	393	2,724	630	633
Pending, end of year	1,752	1,263	633	----

Object Classification

	1957 actual		1958 estimate		1959 estimate	
Total number of permanent positions	30		30		28	
Full-time equivalent of all other positions	----		1		1	
Average number of all employees	28		30		27	
Number of employees at end of year	32		28		25	
Average GS grade and salary	8.5	$6,443	8.5	$6,531	8.6	$6,735
01 Personal services:						
Permanent positions	$180,092		$192,850		$176,600	
Positions other than permanent	3,014		4,000		4,000	
Other personal services	----		750		700	
Total personal services	183,106		197,600		181,300	
02 Travel	1,937		4,400		7,600	
03 Transportation of things	7		100		5,600	
04 Communication services	2,677		2,200		2,200	
06 Printing and reproduction	78		1,500		500	
07 Other contractual services	906		900		500	
08 Supplies and materials	1,003		1,000		600	
09 Equipment	6,513		300		100	
11 Grants, subsidies, and contributions	----		11,900		11,500	

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
15 Taxes and assessments	$375	$100	$100
Total obligations	196,602	220,000	210,000

[SPECIAL TEMPORARY ATTORNEYS AND ASSISTANTS]

[For compensation and expenses of special temporary attorneys and assistants to the Attorney General, and to the United States attorneys and other miscellaneous employees not otherwise provided for, employed by the Attorney General and with his approval by the United States attorneys, in special matters and cases without regard to civil-service and classification laws, $150,000: *Provided*, That the amount paid as compensation out of the funds herein appropriated to any person employed hereunder shall not exceed $15,000 per annum.] (*Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$150,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General tax matters	$124,194	$100,000	----
2. Claims, customs, and general civil matters	124,818	50,000	----
3. United States attorneys	50,296	----	----
Total obligations	299,308	150,000	----
Financing:			
Unobligated balance no longer available	692	----	----
Appropriation (new obligational authority)	300,000	150,000	----

A temporary mobile task force has made sufficient progress in reducing backlogs in certain judicial districts and general civil and tax litigation in the Court of Claims so that the appropriation will not be needed after 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	55	28	----
Number of employees at end of year	47	28	----
Average salary of ungraded positions	$4,980	$4,676	----
01 Personal services: Positions other than permanent	$262,974	$128,400	----
02 Travel	14,408	6,500	----
04 Communication services	744	1,250	----
06 Printing and reproduction	17,936	10,000	----
07 Other contractual services	1,426	1,300	----
08 Supplies and materials	----	1,000	----
09 Equipment	----	1,000	----
15 Taxes and assessments	1,820	550	----
Total obligations	299,308	150,000	----

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Salaries and expenses, general administration	$9,754	$3,298	----
2. Salaries and expenses, general legal activities	21,915	14,363	$14,628
3. Salaries and expenses, Antitrust Division	13,792	26,174	----
4. Special temporary attorneys and assistants	5,441	----	----
Total obligations	50,902	43,835	14,628
Financing:			
Advances and reimbursements from other accounts	50,902	43,835	14,628

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5	5	2
Full-time equivalent of all other positions	3	1	
Average number of all employees	6	6	2
Number of employees at end of year	7	6	2
Average GS grade and salary	9.8 $7,605	9.8 $7,605	9.0 $6,843
Average salary of ungraded positions	$5,575		
01 Personal services:			
Permanent positions	$25,970	$38,015	$13,685
Positions other than permanent	14,366	3,285	
Other personal service		160	53
Total personal services	40,336	41,460	13,738
07 Other contractual services	7,500		
08 Supplies and materials	3,066		
11 Grants, subsidies, and contributions		2,375	890
Total obligations	50,902	43,835	14,628

Proposed for later transmission:

FEES AND EXPENSES OF WITNESSES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Fact witnesses (total obligations)		$250,000	
Financing:			
Proposed supplemental appropriation		250,000	

Under existing legislation, 1958.—An amount of $250,000 is anticipated for 1958 for additional fact witnesses needed on behalf of the Federal Government.

FEDERAL BUREAU OF INVESTIGATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General, including purchase (not to exceed seven hundred and seventy-five for replacement only) and hire of passenger motor vehicles; purchase at not to exceed $10,000, for replacement only, of one armored motor vehicle; firearms and ammunition; not to exceed $10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph; not to exceed $4,500 for expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; payment of rewards; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; [$101,450,000] *$102,500,000*: *Provided*, That the compensation of the Director of the Bureau shall be $22,000 per annum so long as the position is held by the present incumbent.

None of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any civil-service employee. (*5 U. S. C. 300, 340, 341, 341c, 341e; Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$101,450,000** Estimate 1959, **$102,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination	$4,492,152	$4,796,735	$4,853,093
(b) Maintenance of investigative records and communications system	5,353,235	5,699,304	5,706,624
(c) Field investigations	71,660,189	76,301,594	77,168,090
2. Identification by fingerprints	7,688,211	8,283,675	8,354,717
3. Criminal and scientific laboratory	1,605,044	1,690,840	1,726,210

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
4. Training schools and inspectional services	$597,450	$724,698	$721,076
5. General administration	3,894,669	3,953,154	3,970,190
Total obligations	95,290,950	101,450,000	102,500,000
Financing:			
Unobligated balance no longer available	219,050		
Appropriation (new obligational authority)	95,510,000	101,450,000	102,500,000

The Federal Bureau of Investigation is the investigative branch of the Department of Justice and obtains evidence for use in civil litigation and prosecution of criminal violations of Federal law. It has primary responsibility for the internal security of the Nation. It assists all law-enforcement agencies in identification and technical matters.

The appropriation request for 1959 totals $102,500,000. Most classes of major criminal offenses continue to increase. These trends are accompanied by increased workload concerned with fingerprints, name checks, and the technical services of the Federal Bureau of Investigation laboratory. While no additional staff is budgeted, provision is made for financing the Bureau's promotion program.

1. *Security and criminal investigations.*—This includes the Bureau's investigative responsibilities, the coordination and maintenance of the data gathered, and the maintenance of the Bureau's communications system. Data is disseminated to other Government agencies having an official interest in it. During 1957 the Bureau received 1,656,621 names for search through its files, an increase of 2% over 1956.

CASELOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Investigative matters received	444,185	477,092	487,565	501,000

2. *Identification by fingerprints.*—The identification division is the national repository of fingerprint identification records. Fingerprints are acquired, classified, preserved and exchanged with other duly authorized law-enforcement agencies; 5,670,761 sets of fingerprints were received for handling during 1957, a 7.3% increase over the prior year. Fingerprint receipts have shown an upward trend for 3 consecutive years and this upward trend is expected to continue. Sets of fingerprints on file on July 1, 1957, totaled 145,791,854.

3. *Criminal and scientific laboratory.*—The laboratory provides technical and scientific assistance to the Federal Bureau of Investigation and all duly constituted law-enforcement agencies and other Federal agencies which desire to avail themselves of the service. During 1957 scientific examinations totaled 160,643, a 12.6% increase over the prior year for an all-time high in laboratory workload. The upward trend is expected to continue.

4. *Training schools and inspectional services.*—A bureau-wide inspectional service and a personnel training program are provided. The Bureau assists upon request in providing various types of training to local law-enforcement agencies.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	13,942	14,025	14,025
Full-time equivalent of all other positions	5	4	4
Average number of all employees	13,536	13,599	13,599
Number of employees at end of year	13,467	13,807	13,807
Average GS grade and salary	7.6 $5,731	7.8 $5,800	7.9 $5,874

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FEDERAL BUREAU OF INVESTIGATION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$77,893,828	$79,202,707	$80,114,421
Positions other than permanent	25,442	16,500	16,500
Other personal services	5,201,239	5,478,196	5,480,645
Total personal services	83,120,509	84,697,403	85,611,566
02 Travel	3,981,341	3,988,080	3,988,080
03 Transportation of things	498,503	795,011	795,011
04 Communication services	1,679,878	1,621,870	1,621,870
05 Rents and utility services	257,425	418,323	418,323
06 Printing and reproduction	180,740	171,990	171,990
07 Other contractual services	1,951,950	1,705,851	1,660,843
08 Supplies and materials	1,257,156	1,468,692	1,468,692
09 Equipment	2,044,021	2,020,796	1,970,446
11 Grants, subsidies, and contributions		4,242,784	4,473,979
13 Refunds, awards, and indemnities	70,663	71,000	71,000
15 Taxes and assessments	248,764	248,200	248,200
Total obligations	95,290,950	101,450,000	102,500,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination:			
Atomic Energy Commission	$38,376	$39,760	$29,820
Civil Service Commission	28,969	31,036	2,892
Other agencies	46,119	31,579	
(b) Maintenance of investigative records and communications system:			
Civil Service Commission	1,437	1,519	1,581
Other agencies	918		
(c) Field investigations:			
Atomic Energy Commission	1,894,774	1,941,920	1,456,440
Civil Service Commission	171,252	182,376	52,260
Other agencies	145,937	100,246	
Non-Federal sources	124,303	116,250	116,250
4. Training schools and inspectional services: Other agencies	14,273	15,077	
5. General administration:			
Atomic Energy Commission	4,756	4,960	3,720
Civil Service Commission	4,696	5,069	1,367
Other agencies	611		
Total obligations	2,476,421	2,469,792	1,664,330
Financing:			
Advances and reimbursements from—			
Other accounts	2,352,118	2,353,542	1,548,080
Non-Federal sources (40 U. S. C. 481 (c))	124,303	116,250	116,250
Total financing	2,476,421	2,469,792	1,664,330

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	305	290	195
Average number of all employees	296	281	189
Number of employees at end of year	295	281	189
Average GS grade and salary	9.0 $6,215	9.0 $6,215	8.9 $6,072
01 Personal services:			
Permanent positions	$1,856,361	$1,760,796	$1,155,182
Other personal services	156,545	156,086	102,951
Total personal services	2,012,906	1,916,882	1,258,133
02 Travel	167,624	160,253	99,479
03 Transportation of things	15,089	14,321	10,169
04 Communication services	37,294	35,120	24,247
06 Printing and reproduction	869	813	561
07 Other contractual services	64,899	62,420	45,562
08 Supplies and materials	37,838	35,177	24,737
09 Equipment	136,830	127,969	124,535
11 Grants, subsidies, and contributions		113,965	74,902
15 Taxes and assessments	3,072	2,872	2,005
Total obligations	2,476,421	2,469,792	1,664,330

IMMIGRATION AND NATURALIZATION SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including advance of cash to aliens for meals and lodging while en route; payment of allowances (at a rate not in excess of $1 per day) to aliens, while held in custody under the immigration laws, for work performed; payment of rewards; not to exceed $35,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; not to exceed $5,000 for expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase (not to exceed two hundred and [fifty-one] *forty-six* for replacement only) and hire of passenger motor vehicles; purchase (not to exceed [three] *four* for replacement only) and maintenance and operation of aircraft; firearms and ammunition; refunds of head tax, maintenance bills, immigration fines, and other items properly returnable, except deposits of aliens who become public charges and deposits to secure payment of fines and passage money; operation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto; reimbursement of the General Services Administration for security guard services for protection of confidential files and for rental of buildings in the District of Columbia; and maintenance, care, detention, surveillance, parole, and transportation of alien enemies and their wives and dependent children, including return of such persons to place of bona fide residence or to such other place as may be authorized by the Attorney General; $49,600,000: *Provided*, That of the amount herein appropriated not to exceed $50,000 may be used for the emergency replacement of aircraft upon certificate of the Attorney General. (*5 U. S. C. 341, 341d, 341e; act of June 27, 1952, Public Law 414, sec. 103a; Department of Justice Appropriation Act. 1958.*)

Appropriated 1958, **$49,600,000** Estimate 1959, **$49,600,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Inspection for admission into the United States	$11,382,496	$12,125,100	$12,136,400
2. Detention and deportation	5,004,697	5,159,600	5,196,000
3. Naturalization	2,958,783	3,276,800	3,152,400
4. Border patrol	12,740,780	13,361,700	13,710,900
5. Investigating aliens' status	8,371,400	8,683,000	8,431,400
6. Immigration and naturalization records	3,896,090	3,967,000	3,963,600
7. General administration	2,831,620	3,026,800	3,009,300
Total obligations	47,185,866	49,600,000	49,600,000
Financing:			
Unobligated balance no longer available	264,134		
New obligational authority	47,450,000	49,600,000	49,600,000
New obligational authority:			
Appropriation	$47,550,000	$49,600,000	$49,600,000
Transferred to "Salaries and expenses, United States attorneys and marshals" (Public Law 85-58)	—100,000		
Appropriation (adjusted)	47,450,000	49,600,000	49,600,000

The Service administers and enforces the laws relating to immigration and naturalization. Recent amendments to the Immigration and Nationality Act will cause an increase in workload which will be absorbed.

1. *Inspection for admission into the United States.*—Control is maintained at border points, seaports, and airports over the entry of persons into the United States. Funds requested but not allowed last year to replace outmoded border stations have not been included this year because of the budget policy limiting construction.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Aliens admitted	1,007,884	1,085,725	1,082,000	1,167,200
Stowaways found	253	294	300	300
Citizens arrived	1,281,110	1,365,075	1,398,000	1,418,000
Alien crewmen examined on arrival	1,533,249	1,688,749	1,846,000	2,005,000
Entries over land boundaries	129,616,053	137,590,261	145,654,000	153,410,000
Aliens denied entry on primary inspection	168,811	157,174	157,000	157,000

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2. *Detention and deportation.*—Aliens alleged to be in the United States unlawfully are served with orders to show cause and accorded hearings. Warrants of deportation are issued, served, and executed. Detention facilities are operated and maintained. The 1957 increase in orders to show cause resulted from a change in regulations.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Orders to show cause	4,403	11,223	12,300	13,600
Hearings	16,336	13,168	13,800	14,000
Aliens deported	7,297	5,082	7,100	7,200
Average number of aliens held in detention	1,387	1,170	1,200	1,200

3. *Naturalization.*—Examinations are conducted to determine the qualifications of aliens for naturalization, including applicants for derivative citizenship. Facts and recommendations are presented to naturalization courts, and derivative citizenship is adjudicated by the Service.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Applications, petition for naturalization	173,681	173,156	176,400	184,100
Applications, derivative citizenship	35,577	32,758	33,800	36,100
Applications for new papers	10,226	10,737	11,200	11,700
Recommendations to courts	150,687	142,515	145,000	150,000

4. *Border patrol.*—This activity guards the international boundaries to combat smuggling and apprehends aliens illegally in the United States. Selective highway checking, based on intelligence, results in close control with lower volume of examination of conveyances and questioning persons in traffic checks. The decline in apprehensions is based on continued tight control, which has increased the cost.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Conveyances examined	2,845,746	2,339,287	2,251,600	2,264,400
Persons questioned	9,890,424	8,889,956	8,800,000	8,800,000
Persons apprehended	70,846	48,433	40,000	35,000

5. *Investigating aliens' status.*—These investigations deal with admission, naturalization, deportation, and arrests for violation of the immigration and nationality laws. Objective is to achieve current status so all cases may be assigned immediately upon receipt. Increases in 1959 are in connection with periodic checks on parolees.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Pending, beginning of year	27,262	17,972	15,029	9,698
Received	62,642	55,096	53,064	71,318
Terminated	71,932	58,039	58,395	73,725
Pending, end of year	17,972	15,029	9,698	7,291

6. *Immigration and naturalization records.*—Documents of entry, address, departure, and naturalization of aliens are received, recorded and filed, including annual report of current addresses from all aliens.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
New files prepared	679,948	640,855	645,000	650,000
Index searches	2,673,480	2,643,760	2,791,000	2,858,000
Alien address reports	2,622,462	2,833,732	2,920,000	3,000,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	6,972	6,969	6,885
Full-time equivalent of all other positions	198	108	108
Average number of all employees	6,742	6,752	6,593
Number of employees at end of year	6,743	6,820	6,656
Average GS grade and salary	7.1 $5,111	7.2 $5,220	7.1 $5,299
01 Personal services:			
Permanent positions	$33,408,785	$34,613,700	$34,237,700
Positions other than permanent	617,297	344,400	344,400
Other personal services	3,588,070	3,688,300	3,664,300
Total personal services	37,614,152	38,646,400	38,246,400
02 Travel	$2,016,640	$2,077,000	$2,077,000
03 Transportation of things	421,258	425,000	433,100
04 Communication services	852,178	861,200	861,200
05 Rents and utility services	332,418	336,500	291,000
06 Printing and reproduction	351,310	369,900	369,900
07 Other contractual services	1,457,111	1,187,500	1,203,300
Services performed by other agencies	322,622	337,400	337,400
08 Supplies and materials	1,637,099	1,815,000	1,809,800
09 Equipment	1,952,458	1,237,200	1,546,800
10 Land and structures	50,682	15,800	46,100
11 Grants, subsidies, and contributions		2,171,400	2,258,300
13 Refunds, awards, and indemnities	146,782	85,500	85,500
15 Taxes and assessments	27,280	25,600	25,600
Unvouchered	30,000	35,000	35,000
Subtotal	47,211,990	49,626,400	49,626,400
Deduct quarters and subsistence charges	26,124	26,400	26,400
Total obligations	47,185,866	49,600,000	49,600,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Inspection for admission into the United States	$1,551,825	$1,106,600	$1,102,500
2. Detention and deportation	832,682	792,000	172,100
3. Naturalization	50,037	50,100	50,700
4. Border patrol	74,285	39,400	55,500
5. Investigating aliens' status	42,978	16,400	18,800
6. Immigration and naturalization records	27,518	100	100
7. General administration	3,675	400	400
Total obligations	2,583,000	2,005,000	1,400,100
Financing:			
Advances and reimbursements from—			
Other accounts	1,255,092	729,800	107,600
Non-Federal sources (54 Stat. 858)	1,327,908	1,275,200	1,292,500
Total financing	2,583,000	2,005,000	1,400,100

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	19	16	16
Full-time equivalent of all other positions	12	5	4
Average number of all employees	28	19	18
Number of employees at end of year	15	14	14
Average GS grade and salary	10.0 $6,558	12.0 $8,860	12.0 $8,860
Average salary of ungraded positions	$4,015	$4,015	$4,015
01 Personal services:			
Permanent positions	$78,722	$58,800	$58,800
Positions other than permanent	38,448	15,800	12,700
Other personal services	1,252,430	1,090,100	1,090,000
Total personal services	1,369,600	1,164,700	1,161,500
02 Travel	396,033	82,600	53,200
03 Transportation of things	6,018		
04 Communication services	17,835	4,500	3,200
05 Rents and utility services	8,505	4,900	2,600
06 Printing and reproduction	56,046	50,000	50,000
07 Other contractual services	513,887	593,100	7,300
Services performed by other agencies	80,092		
08 Supplies and materials	46,168	39,000	38,800
09 Equipment	86,970	62,600	79,900
11 Grants, subsidies, and contributions		3,600	3,600
15 Taxes and assessments	1,846		
Total obligations	2,583,000	2,005,000	1,400,100

FEDERAL PRISON SYSTEM

Current authorizations:

SALARIES AND EXPENSES, BUREAU OF PRISONS

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision of United States prisoners in non-Federal institutions and their support in Alaska; not to exceed $18,000 for expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase of not to exceed [twenty-four] *twenty-one* (for replacement only) and hire of passenger motor

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FEDERAL PRISON SYSTEM—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, BUREAU OF PRISONS—Continued

vehicles; compilation of statistics relating to prisoners in Federal and non-Federal penal and correctional institutions; payment pursuant to law of claims of employees for loss, damage, or destruction of personal property (31 U. S. C. 238); firearms and ammunition; medals and other awards; payment of rewards; purchase and exchange of farm products and livestock; construction of buildings at prison camps; and acquisition of land as authorized by section 7 of the Act of July 28, 1950 (5 U. S. C. 341f); [$32,200,000] *$33,000,000*: *Provided*, That there may be transferred to the Public Health Service such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditure by that Service for medical relief for inmates of Federal penal and correctional institutions. (*5 U. S. C. 341e, 341g; 18 U. S. C. 4005, 4007, 4008, 4042, 4082, 4281; Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$32,200,000** Estimate 1959, **$33,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Custody, care, and treatment of prisoners in Federal institutions:			
(*a*) Custody	$12,359,891	$13,339,000	$13,452,000
(*b*) Subsistence (including farming operations)	4,759,167	4,915,500	5,023,000
(*c*) Education and welfare	2,090,938	2,241,500	2,277,000
(*d*) Clothing, allowances, medical expenses, releases, and transfers	1,926,715	1,964,000	2,026,000
2. Maintenance and operation of institutions	7,292,110	7,206,000	7,655,000
3. Medical services	1,542,820	1,694,000	1,724,000
4. General administration	742,064	840,000	843,000
Total obligations	30,713,705	32,200,000	33,000,000
Financing:			
Unobligated balance no longer available	21,295		
Appropriation (new obligational authority)	30,735,000	32,200,000	33,000,000

1. *Custody, care, and treatment of prisoners in Federal institutions.*—This covers the cost of direct care of prisoners in 27 institutions in the United States and 6 small institutions in Alaska. The cost of related personnel service is included. The furnishing of custody, food, clothing, education, welfare services, and transportation expenses upon release are included. The funds required, exclusive of salaries, are in direct relation to the estimated average number of prisoners expected to be maintained in 1959, which is 20,800, at an estimated cost per man per day of 76 cents compared with 75 cents in 1957 and 1958. The daily per capita cost is increasing because of the higher cost of all commodities. The average daily population for 1957 was 20,332 as compared to 20,209 for 1956, continuing to rise as it has for several years.

2. *Maintenance and operation of institutions.*—This activity reflects administrative expenses, utility services, operation of motor vehicles, repair and maintenance of buildings, grounds, and other facilities, and equipment replacements. It was necessary to divert 1958 funds from maintenance and equipment to increase the custodial staff because of a change in the general character of prison population. The 1959 estimates restore items deferred in 1958 and provide an increase in the maintenance and equipment level previously authorized.

3. *Medical services.*—Medical, psychiatric, and technical services are provided by Public Health Service personnel whose salaries and travel expenses are reflected here.

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF PRISONS			
Total number of permanent positions	4,256	4,256	4,281
Full-time equivalent of all other positions	45	47	47
Average number of all employees	4,133	4,176	4,201
Number of employees at end of year	4,237	4,310	4,335
Average GS grade and salary	6.2 $4,691	6.2 $4,731	6.2 $4,748
Average grade and salary, grades established by Attorney General	16.0 $13,258	16.0 $13,330	16.0 $13,473
Average salary of ungraded positions	$4,593	$4,679	$4,781
01 Personal services:			
Permanent positions	$19,164,498	$19,537,000	$19,634,000
Positions other than permanent	212,893	222,000	222,000
Other personal services	984,325	1,052,000	1,052,000
Total personal services	20,361,716	20,811,000	20,908,000
02 Travel	367,293	370,000	385,000
03 Transportation of things	235,210	250,000	278,000
04 Communication services	133,924	135,000	145,000
05 Rents and utility services	710,025	800,000	820,000
06 Printing and reproduction	34,187	35,000	35,000
07 Other contractual services	374,451	375,000	375,000
08 Supplies and materials	6,523,873	6,270,000	6,652,000
09 Equipment	557,954	405,000	527,000
11 Grants, subsidies, and contributions	124,338	1,305,000	1,401,000
13 Refunds, awards, and indemnities	34,700	40,000	40,000
15 Taxes and assessments	7,558	10,000	10,000
Subtotal	29,465,229	30,806,000	31,576,000
Deduct quarters and subsistence charges	294,344	300,000	300,000
Total, Bureau of Prisons	29,170,885	30,506,000	31,276,000
ALLOCATION TO PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
Total number of permanent positions	234	238	243
Average number of all employees	220	221	224
Number of employees at end of year	209	221	224
Average GS grade and salary	7.4 $5,186	7.5 $5,363	7.6 $5,459
01 Personal services:			
Permanent positions	$1,473,716	$1,517,000	$1,547,000
Positions other than permanent	970	1,300	1,300
Other personal services	27,216	25,600	25,600
Total personal services	1,501,902	1,543,900	1,573,900
02 Travel	8,819	18,000	18,000
03 Transportation of things	20,954	30,000	30,000
07 Other contractual services	4,368	3,100	3,100
11 Grants, subsidies, and contributions		92,500	92,500
13 Refunds, awards, and indemnities	1,050		
15 Taxes and assessments	5,727	6,500	6,500
Total, Public Health Service	1,542,820	1,694,000	1,724,000
Total obligations	30,713,705	32,200,000	33,000,000

BUILDINGS AND FACILITIES

For constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [$1,000,000] *$1,500,000*: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation. (*Department of Justice Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000** Estimate 1959, **$1,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction:			
(*a*) Maximum security institution	$6,691	$10,000	
(*b*) Western youth guidance center	682	7,500	
(*c*) Power plant, Lewisburg, Pa			$400,000
(*d*) To complete farm dormitory, Leavenworth, Kans	30,558	300,000	139,000
(*e*) To complete farm dormitory, Terre Haute, Ind	170,609	125,000	99,000
(*f*) Kitchen and dining hall, Petersburg, Va	102,090	130,000	21,000
(*g*) Other	211,147	398,114	542,000
2. Repairs and improvements	502,510	500,000	500,000
Total obligations	1,024,287	1,470,614	1,701,000
Financing:			
Unobligated balance brought forward	−244,901	−895,614	−425,000
Unobligated balance carried forward	895,614	425,000	224,000
Appropriation (new obligational authority)	1,675,000	1,000,000	1,500,000

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1. *Construction.*—The estimates for 1959 contain construction funds for projects at several institutions and the first increment of a new powerplant at Lewisburg, Pa., estimated to cost $1,750,000 when completed.

Due to budget policy, the estimates do not include funds for construction of the two penal institutions requested in previous years.

2. *Repairs and improvements.*—Major plant repairs at existing facilities are provided for. A substantial part of the new construction and plant repair work will be performed by inmate labor.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	15	37	37
Average number of all employees	15	36	36
Number of employees at end of year	11	35	35
Average GS grade and salary	6.9 $4,836	6.6 $4,370	6.6 $4,370
01 Personal services:			
Permanent positions	$72,126	$157,040	$157,040
Positions other than permanent	3,843	5,000	5,000
Other personal services	3,917	5,300	5,300
Total personal services	79,886	167,340	167,340
10 Lands and structures	944,401	1,303,274	1,533,660
Total obligations	1,024,287	1,470,614	1,701,000

Support of United States Prisoners

For support of United States prisoners in non-Federal institutions, including necessary clothing and medical aid, and payment of rewards; [$2,550,000] *$2,800,000. (5 U. S. C. 341f; 18 U. S. C. 3059, 4001–4003, 4006–4009, 4042, 4082, 4085, 4086, 4125, 4244, 4281, 4282, 4283, 5036; Department of Justice Appropriation Act, 1958.)*

Appropriated 1958, **$2,550,000** Estimate 1959, **$2,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Care of United States prisoners in non-Federal institutions (total obligations)	$2,535,577	$2,550,000	$2,800,000
Financing:			
Unobligated balance no longer available	264,423		
Appropriation (new obligational authority)	2,800,000	2,550,000	2,800,000

The Bureau of Prisons contracts with suitable State and local jails for boarding Federal prisoners for short periods of time, such as before and during trial, awaiting transfer to a Federal institution following conviction, or commitments for short sentences. An average of 3,170 prisoners were boarded at a cost of $2.25 per day in 1957.

Object Classification

	1957 actual	1958 estimate	1959 estimate
03 Transportation of things	$122		
04 Communication services	40,345		
07 Other contractual services	2,486,393	$2,540,000	$2,790,000
08 Supplies and materials	109	1,000	1,000
11 Grants, subsidies, and contributions	7,723	8,000	8,000
15 Taxes and assessments	885	1,000	1,000
Total obligations	2,535,577	2,550,000	2,800,000

Intragovernmental funds:

Federal Prison Industries, Incorporated

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the fiscal year [1958] *1959* for such corporation, except as hereinafter provided: *(Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958.)*

PRISON INDUSTRIES FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$21,594,594	$21,480,776	$19,785,776
Administrative expense	372,861	445,371	445,371
Vocational training expense	556,065	605,853	672,853
Other expense	522,796	595,000	590,000
Total operating costs	23,046,316	23,127,000	21,494,000
Depreciation included above (−)	−466,928	−470,000	−475,000
Other costs included above not requiring financing (−)	−2,270		
Total operating costs, funded	22,577,118	22,657,000	21,019,000
Capital outlay:			
Buildings and improvements	604,700	1,255,000	1,146,000
Machinery and equipment	749,971	585,000	500,000
Total capital outlay	1,354,671	1,840,000	1,646,000
Machinery and equipment transferred in (−) without charge, net	−62,030		
Total capital outlay, funded	1,292,641	1,840,000	1,646,000
Total program costs, funded	23,869,759	24,497,000	22,665,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−288,862	−701,000
Obligations incurred for costs of other years, net	1,204,449		
Total program (obligations)	25,074,208	24,208,138	21,964,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Customers orders received: Commodities and services	27,809,587	25,898,247	23,310,000
Sale of scrap, etc., net	137,320	135,000	135,000
Vocational sale of products and services	29,484	25,000	25,000
Proceeds from sale of machinery and equipment	33,129	40,000	40,000
Total revenue and receipts	28,009,520	26,098,247	23,510,000
Unobligated balance brought forward	9,733,001	11,168,313	10,658,422
Total amounts available	37,742,521	37,266,560	34,168,422
Capital transfer (payment of dividend to Treasury) (−)	−1,500,000	−2,400,000	−2,200,000
Obligated balance carried forward	−11,168,313	−10,658,422	−10,004,422
Financing applied to program	25,074,208	24,208,138	21,964,000

The corporation is authorized to establish and operate industries in Federal penal and correctional institutions and two disciplinary barracks under jurisdiction of the Department of Defense (18 U. S. C. 4121–4128). Its purposes are to provide employment for physically fit inmates; provide maximum vocational training for qualified inmates in connection with regular institutional and industrial activities and to operate a placement service to assist released inmates to secure jobs. Products manufactured by the inmates are sold only to other Government agencies and the penal institutions. Earnings from the sale of these products pay expenses of the corporation and have permitted payment of $34 million in dividends into the Treasury since January 1, 1935.

Program highlights	*1957 actual*	*1958 estimate*	*1959 estimate*
Customers orders received: Sales of commodities and services	$27,809,587	$25,898,246	$23,310,000
Net earnings	$3,812,500	$3,033,000	$2,666,000
Payment of dividends to Treasury	$1,500,000	$2,400,000	$2,200,000
Number of inmates employed full time	4,115	4,144	4,094
Number of inmates for whom vocational training is provided	11,014	11,100	11,500
Number of inmates receiving monetary awards	5,447	5,500	5,500
Amount of inmate awards granted	$225,334	$300,000	$300,000
Number of inmates assisted in job placements	2,432	2,200	2,400

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FEDERAL PRISON SYSTEM—Continued

Intragovernmental funds—Continued

FEDERAL PRISON INDUSTRIES, INCORPORATED—Continued

PRISON INDUSTRIES FUND—continued

Budget program.—During 1959 the industrial program contemplates operation of 55 shops in 23 institutions. It is expected to employ, on a 40-hour-week basis, 4,094 inmates in 1959 as against 4,144 in 1958. During the past year industrial activities were diversified among 36 different lines of industry in 54 shops at 23 locations which include a new sign shop at McNeil Island, Wash., a new clothing factory at United States Disciplinary Barracks, Fort Leavenworth, Kans., and a new furniture refinishing shop at Terminal Island, Calif.

In 1959 it is expected to operate the vocational training program on an augmented basis with the employment of one additional employment placement officer and 8 additional instructors. It is expected that trade and occupational training will be provided for 11,500 inmates. It is expected the placement service will place 2,400 released inmates in private industry as compared to 2,200 expected to be placed during the present year.

The following table indicates the breadth and scope of the vocational training program for 1956 and 1957:

	Number of training groups		*Number enrolled*		*Number completing courses*	
	1956	*1957*	*1956*	*1957*	*1956*	*1957*
Type of training:						
Agriculture	45	41	777	831	276	297
Industrial	57	69	1,382	1,432	521	509
Occupational	277	331	3,549	3,885	1,652	1,206
Trade	56	49	1,211	1,342	836	865
Special	78	85	3,270	3,524	2,259	2,152
Total	513	575	10,189	11,014	5,544	5,029

During the past year vocational training was pursued by 56% of the inmate population in one or more of the 575 training areas in the institutional shops and vocational schools. Of the total number enrolled without duplication of courses, 45% of these satisfactorily completed a course and received a certificate of achievement. In 1,588 cases these were approved certificates supported by accreditation standards required by State departments of vocational education and signed by their representatives attesting to the validity of the certificate and course.

Coordinated with the vocational training program is the employment placement service comprising five placement units located in different areas of the country. Through the job placement service, placement officers found employment for 2,432 inmates during the past year. Of the total number of placements made, 593 were in jobs directly related to the training and work experience gained in the institution.

The meritorious monetary award program provided awards to 5,447 inmates during 1957. The board of directors, at its meeting on May 17, 1957, increased the amount available for such awards from $240,000 to $300,000 annually.

The 1959 budget includes an administrative expense limitation of $443,000 which is 2% of estimated sales.

The 1959 limitation for vocational expense (exclusive of depreciation and after taking account of related revenues) is $624,000, an increase of $67,000 over 1958 due to augmentation of the training program.

CAPITAL EXPENDITURES

	1957 actual	*1958 estimate*	*1959 estimate*	*Estimated balance to complete*
Buildings and improvements:				
California, Terminal Island	$20,415	$298,162	$345,000	
Colorado, Englewood			25,000	$200,000
Connecticut, Danbury	4,276	145,724	70,000	
Florida, Tallahassee	8,371	160,000	61,629	
Georgia, Atlanta	8,928		50,000	1,900,000
Indiana, Terre Haute		10,000	90,000	
Kansas, Leavenworth	87,291		50,000	200,000
Michigan, Milan		5,000	45,000	200,000
Missouri, Springfield		40,000	150,000	200,000
Oklahoma, El Reno	126,692	48,309		
Ohio, Chillicothe		30,000		270,000
Pennsylvania, Lewisburg	81,500	102,559	100,000	
Texas, La Tuna	66,439	3,996		
Texas, Seagoville	1,058	12,000		
Texas, Texarkana	137,697	58,119		
Virginia, Petersburg	5,752			
Washington, McNeil Island	3,027	66,500	158,500	340,000
West Virginia, Alderson	52,478	272,522		
Miscellaneous	776	2,109	871	
Total buildings and improvements	604,700	1,255,000	1,146,000	3,310,000
Machinery and equipment:				
California, Alcatraz	10,107	16,000	15,000	
California, Lompoc	5,119	4,695	5,000	
California, Terminal Island	12,947	2,070	6,777	
Colorado, Englewood	1,943	8,827	5,000	
Connecticut, Danbury	1,837	2,000	25,000	
Florida, Tallahassee	6,998	2,650	25,000	
Georgia, Atlanta	137,818	105,600	100,600	
Indiana, Terre Haute	6,797		5,000	
Kansas, Fort Leavenworth	5,875		5,000	
Kansas, Leavenworth	147,529	88,076	50,000	
Kentucky, Ashland	6,260	4,850	10,000	
Michigan, Milan	7,656	75,700	19,700	
Missouri, Springfield	1,603		5,000	
New York, New York	5,979		5,000	
Ohio, Chillicothe	34,702	57,900	20,300	
Oklahoma, El Reno	104,276	57,928	25,000	
Pennsylvania, Lewisburg	134,189	97,310	99,825	
Texas, La Tuna	4,920	29,550	5,000	
Texas, Seagoville	5,469	2,135	5,000	
Texas, Texarkana	15,552	600	5,500	
Virginia, Petersburg	1,559	8,500	5,000	
Washington, McNeil Island	17,074	2,650	20,200	
West Virginia, Alderson	4,238	13,500	15,000	
West Virginia, Mill Point	4,766	400	5,000	
Miscellaneous	2,728	4,059	12,098	
Total machinery and equipment	687,941	585,000	500,000	
Total capital expenditures	1,292,641	1,840,000	1,646,000	3,310,000

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories, deferred charges, etc.	$7,419,259	$8,157,461	$8,016,000	$7,515,000
Unpaid undelivered orders	2,434,461	3,047,401	3,000,000	2,900,000
Total selected resources at end of year	9,853,720	11,204,862	11,016,000	10,415,000
Selected resources at start of year (−)		−9,853,720	−11,204,862	−11,016,000
Increase or decrease (−) in selected resources		1,351,142	−188,862	−601,000
Materials transferred in (−) without charge, net		−146,693	−100,000	−100,000
Costs financed from obligations of other years, net (−)			−288,862	−701,000
Obligations incurred for costs of other years, net		1,204,449		

Financing.—Profit from 1959 operations is expected to result in a minus budgetary expenditure of $2.2 million compared with $2 million for 1958 and $2.35 million for 1957. Dividends of $1.5 million were paid into the Treasury during 1957 and it is anticipated that $2.4 million will be paid in 1958 and $2.2 million in 1959.

Operating results.—Estimates for 1959 reflect a decline of $2 million in sales, $1.6 million in expenses, and $0.4 million in net income. This decline is attributed to an anticipated decline in orders for textile and clothing products.

Retained earnings.—As of June 30, 1957, the corporation's cumulative earnings amounted to $49.5 million of which $15.5 million has been reinvested in the business in the form of working capital, plant, and new equip-

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ment. It is expected that retained earnings will increase to $16.6 million by June 30, 1959.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of buildings and improvements	$604,700	$1,255,000	$1,146,000
Acquisition of machinery and equipment	687,941	585,000	500,000
Purchase of commodities for manufacture and sale	17,230,078	15,839,722	13,889,655
Expense	5,962,825	6,576,553	6,529,345
Increase in selected working capital	54,494		
Total gross expenditures	24,540,038	24,256,275	22,065,000
Receipts from operations (funds provided):			
Proceeds from sale of equipment	33,129	40,000	40,000
Revenue	26,829,332	26,135,000	24,135,000
Vocational revenue from sale of products and services	29,484	25,000	25,000
Decrease in selected working capital		62,137	103,000
Total receipts from operations	26,891,945	26,262,137	24,303,000
Budget expenditures	−2,351,907	−2,005,862	−2,238,000

Revenue, Expense, and Retained Earnings

Revenue	$26,829,332	$26,135,000	$24,135,000
Expense	23,036,218	23,137,000	21,504,000
Net operating income	3,793,114	2,998,000	2,631,000
Nonoperating income or loss (−):			
Vocational revenue from sale of products and services	29,484	25,000	25,000
Proceeds from sale of equipment	33,129	40,000	40,000
Net book value of assets sold (−)	−43,227	−30,000	−30,000
Net gain or loss (−) from sale of equipment	−10,098	10,000	10,000
Net income for the year	3,812,500	3,033,000	2,666,000
Analysis of retained earnings:			
Retained earnings, beginning of year	13,235,758	15,548,258	16,181,258
Payment of dividend to Treasury (−)	−1,500,000	−2,400,000	−2,200,000
Retained earnings, end of year	15,548,258	16,181,258	16,647,258

Financial Condition

Assets:			
Cash with Treasury	$4,401,560	$4,007,422	$4,045,422
Accounts receivable, net	2,187,920	2,108,000	1,908,000
Commodities for sale or manufacture	8,140,725	8,000,000	7,500,000
Supplies, deferred charges, etc	16,736	16,000	15,000
Buildings and equipment, net	7,426,854	8,756,853	9,887,853
Total assets	22,173,795	22,888,275	23,356,275
Liabilities:			
Current	1,475,520	1,457,000	1,359,000
Government investment:			
Non-interest-bearing capital:			
Start of year	4,941,295	5,150,017	5,250,017
Property received during year without exchange of funds (net)	208,722	100,000	100,000
End of year	5,150,017	5,250,017	5,350,017
Retained earnings	15,548,258	16,181,258	16,647,258
Total Government investment	20,698,275	21,431,275	21,997,275

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$3,549,653	$4,401,560	$4,007,422	$4,045,422
Obligated balance, net:				
Current liabilities	1,339,799	1,475,520	1,457,000	1,359,000
Unpaid undelivered orders	2,434,461	3,047,401	3,000,000	2,900,000
Unfilled customers' orders (−)	−7,984,179	−9,101,754	−9,000,000	−8,310,000
Accounts receivable, net, and cash in transit (−)	−1,973,429	−2,187,920	−2,108,000	−1,908,000
Total obligated balance	−6,183,348	−6,766,753	−6,651,000	−5,959,000
Unobligated balance	9,733,001	11,168,313	10,658,422	10,004,422

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

[Federal Prison Industries, Incorporated:] Not to exceed $443,000 of the funds of the corporation shall be available for its administrative expenses, and not to exceed [$557,000] *$624,000* for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest. (*18 U. S. C. 4121–4128; Reorganization Plan No. II, pt. 1, sec. 3a, approved Apr. 3, 1939; Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. General administration (excludes depreciation)	$370,490	$443,000	$443,000
2. Vocational training (excludes depreciation)	535,212	582,000	649,000
Total program (obligations)	905,702	1,025,000	1,092,000
Financing:			
Advances and reimbursements from other accounts	−29,484	−25,000	−25,000
Unobligated balance no longer available	73,782		
Limitation	950,000	1,000,000	1,067,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	GENERAL ADMINISTRATION			
	Total number of permanent positions	54	52	52
	Full-time equivalent of all other positions		1	1
	Average number of employees	44	53	53
	Number of employees at end of year	42	52	52
	Average GS grade and salary	8.3 $5,964	8.3 $6,080	8.3 $6,163
01	Personal services:			
	Permanent positions	$267,189	$316,185	$320,465
	Positions other than permanent	1,797	12,000	9,000
	Other personal services	207	1,516	1,533
	Excess of annual leave earned over leave taken		1,919	622
	Excess of annual leave taken (−) over leave earned	−222		
	Total personal services	268,971	331,620	331,620
02	Travel	22,521	28,000	28,000
03	Transportation of things	837	1,400	1,400
04	Communication services	3,616	7,349	7,349
05	Rents and utility services	17,936	19,151	19,151
06	Printing and reproduction	1,847	3,000	3,000
07	Other contractual services	840	1,050	1,050
	Audit by General Accounting Office	49,000	25,000	25,000
08	Supplies and materials	4,922	5,803	5,408
11	Grants, subsidies, and contributions		20,500	20,895
15	Taxes and assessments		127	127
	Total, general administration	370,490	443,000	443,000
	VOCATIONAL TRAINING			
	Total number of permanent positions	84	84	93
	Full time equivalent of all other positions	6	6	6
	Average number of all employees	80	85	94
	Number of employees at end of year	88	88	97
	Average GS grade and salary	7.4 $5,128	7.4 $5,236	7.4 $5,258
01	Personal services:			
	Permanent positions	$385,436	$414,585	$456,425
	Positions other than permanent	34,075	34,470	34,470
	Other personal services	9,153	7,095	7,255
	Excess of annual leave earned over leave taken	3,472	1,055	1,055
	Total personal services	432,136	457,205	499,205
02	Travel	9,898	12,000	15,000
03	Transportation of things	978	700	1,000
04	Communication services	1,004	1,000	1,100
05	Rents and utility services	4,137	4,000	6,000
06	Printing and reproduction: Cost of inmate training in connection with	28,324	26,000	30,000
07	Other contractual services	1,385	1,500	1,600
08	Supplies and materials	56,715	52,052	64,777
11	Grants, subsidies, and contributions		26,948	29,668
15	Taxes and assessments	635	595	650
	Total, vocational training	535,212	582,000	649,000
	Total obligations	905,702	1,025,000	1,092,000

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FEDERAL PRISON SYSTEM—Continued

Intragovernmental funds—Continued

FEDERAL PRISON INDUSTRIES, INCORPORATED—Continued

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED—continued

PERSONAL SERVICES NOT CHARGEABLE TO LIMITATION ACCOUNTS

	1957 actual	*1958 estimate*	*1959 estimate*
Total number of permanent positions	374	378	375
Full-time equivalent of all other positions	66	65	65
Average number of employees	356	380	377
Number of employees at end of year	356	369	366
Average GS grade and salary	7.7 $5,454	7.7 $5,543	7.7 $5,646
01 Personal services:			
Permanent positions	$1,953,243	$2,077,630	$2,090,980
Positions other than permanent	8,018	8,000	8,000
Regular pay above 52-week base	----------	7,993	8,040
Overtime and holiday pay	72,587	51,000	46,000
Nightwork differential	2,558	2,500	2,500
Excess of annual leave earned over leave taken	----------	7,500	7,500
Excess of annual leave taken (−) over leave earned	−18,728	----------	----------
Other payments for personal services	1,734,002	1,870,000	1,755,000
Total personal services	3,751,680	4,024,623	3,918,020

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Custody, care, and treatment of Federal prisoners	$1,039,074	$1,040,000	$1,068,000
2. Maintenance and operation of institutions	460,525	460,000	460,000
Total obligations	1,499,599	1,500,000	1,528,000
Financing:			
Advances and reimbursements from—			
Federal Prison Industries, Inc.	953,461	954,000	950,000
Other accounts	191,060	191,000	223,000
Non-Federal sources (64 Stat. 381)	355,078	355,000	355,000
Total financing	1,499,599	1,500,000	1,528,000

Object Classification

Total number of permanent positions	72	72	78
Full-time equivalent of all other positions	34	32	30
Average number of all employees	106	104	108
Number of employees at end of year	59	72	78
Average GS grade and salary	5.7 $4,487	5.7 $4,524	5.8 $4,606
01 Personal services:			
Permanent positions	$323,038	$325,700	$359,300
Positions other than permanent	152,207	147,300	141,700
Other personal services	19,887	22,000	22,000
Total personal services	495,132	495,000	523,000
02 Travel	5,114	5,000	5,000
03 Transportation of things	2,149	2,000	2,000
04 Communication services	16,634	17,000	17,000
05 Rents and utility services	262,942	263,000	263,000
07 Other contractual services	63,930	64,000	64,000
08 Supplies and materials	641,852	642,000	642,000
09 Equipment	11,846	12,000	12,000
Total obligations	1,499,599	1,500,000	1,528,000

Proposed for later transmission:

SUPPORT OF UNITED STATES PRISONERS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Care of United States prisoners in non-Federal institutions (total obligations)	----------	$250,000	----------
Financing:			
Proposed supplemental appropriation	----------	250,000	----------

Under existing legislation, 1958.—A proposed supplemental appropriation in the amount of $250,000 is anticipated for 1958 to meet the cost of increased jail days.

OFFICE OF ALIEN PROPERTY

Trust funds:

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY

The Attorney General, or such officer as he may designate, is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him pursuant to or with respect to the Trading With the Enemy Act of October 6, 1917, as amended (50 U. S. C. App.) and the International Claims Settlement Act, as amended (22 U. S. C. 1631), necessary expenses incurred in carrying out the powers and duties conferred on the Attorney General pursuant to said Acts: *Provided*, That not to exceed [$2,935,000] *$2,500,000* shall be available in the current fiscal year for the general administrative expenses of the Office of Alien Property, including rent of private or Government-owned space in the District of Columbia; and expenses of attendance at meetings of organizations concerned with the purposes of this authorization: *Provided further*, That on or before November 1 of the current fiscal year, the Attorney General shall make a report to the Appropriations Committees of the Senate and the House of Representatives giving detailed information on all administrative and nonadministrative expenses incurred during the next preceding fiscal year in connection with the activities of the Office of Alien Property: *Provided further*, That of the total amount herein authorized the amount of $100,000 is to be transferred to the appropriation for "Salaries and expenses, general administration", Justice. (*5 U. S. C. 295, 310, 312, 315, 341, 341e; 50 U. S. C., App. 6; Executive Order 9788, Oct. 14, 1946, 11 F. R. 11981; Department of Justice Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Management and liquidation	$653,817	$656,765	$213,334
2. Administrative adjudication of claims	1,134,830	1,144,555	1,395,602
3. Litigation	573,843	652,427	498,688
4. Administration	316,357	391,955	333,057
5. Vesting satellite assets	71,823	89,298	59,319
Total obligations	2,750,670	2,935,000	2,500,000
Financing:			
Unobligated balance no longer available	249,330	----------	----------
Limitation	3,000,000	2,935,000	2,500,000

This Office takes care of the Government's interests in wartime measures against alien property.

1. *Management and liquidation.*—Management of such alien enemy properties as interests in business enterprises, real estate, securities, life insurance, and tangible personal property is required until the disposition of such property.

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Business enterprises:				
Pending, beginning of year	25	13	9	3
Terminated	12	4	6	2
Pending, end of year	13	9	3	1
Real and personal property:				
Pending, beginning of year	651	380	309	181
Received	30	40	50	50
Terminated	301	111	178	171
Pending, end of year	380	309	181	60
Patent management: Number managed	11,857	9,225	6,876	4,505

2. *Administrative adjudication of claims.*—Claims against vested property subject to administrative adjudication stand as follows:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Number of claims:				
Pending, beginning of year	34,029	28,203	22,954	12,304
Received	60	77	------	------
Terminated	5,886	5,326	10,650	10,010
Pending, end of year	28,203	22,954	12,304	2,294

3. *Litigation.*—Defense is provided in court proceedings brought against the Government for the return of vested property. The figures are:

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	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Number of cases:				
Pending, beginning of year	1,500	1,124	1,156	553
Received	85	281	95	85
Terminated	461	249	698	205
Pending, end of year	1,124	1,156	553	433

5. *Vesting satellite assets.*—Certain assets of Bulgaria, Hungary, and Rumania and/or nationals thereof, are vested pursuant to the International Claims Settlement Act of 1949.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	395	365	312
	Full-time equivalent of all other positions	2	5	3
	Average number of all employees	365	359	304
	Number of employees at end of year	371	342	281
	Average GS grade and salary	8.3 $6,318	8.4 $6,471	8.5 $6,537
	Average salary of ungraded positions	$4,392	$4,392	$4,392
01	Personal services:			
	Permanent positions	$2,293,624	$2,287,558	$1,982,825
	Positions other than permanent	12,346	33,650	16,995
	Other personal services	50,896	67,607	32,680
	Total personal services	2,356,866	2,388,815	2,032,500
02	Travel	31,574	27,000	22,000
03	Transportation of things	120	2,000	3,000
04	Communication services	21,217	22,000	19,200
05	Rents and utility services	129,127	139,940	136,000
06	Printing and reproduction	10,670	9,000	7,750
07	Other contractual services	84,044	76,740	36,375
	Services performed by other agencies	100,000	100,000	100,000
08	Supplies and materials	8,504	8,635	7,135
09	Equipment	7,162	5,000	4,500
11	Grants, subsidies, and contributions		153,870	130,540
13	Refunds, awards, and indemnities	40		
15	Taxes and assessments	1,346	2,000	1,000
	Total obligations	2,750,670	2,935,000	2,500,000

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 202. None of the funds appropriated by this title may be used to pay the compensation of any person hereafter employed as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, Territory, or the District of Columbia.

SEC. 203. [Sixty] *Seventy-five* per centum of the expenditures for the offices of the United States attorney and the United States marshal for the District of Columbia from all appropriations in this title shall be reimbursed to the United States from any funds in the Treasury of the United States to the credit of the District of Columbia.

SEC. 204. Appropriations and authorizations made in this title which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

SEC. 205. Appropriations and authorizations made in this title for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), *at rates not to exceed $75 per diem for individuals.*

SEC. 206. Appropriations for the current fiscal year for "Salaries and expenses, general administration", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons", shall be available for uniforms and allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131).

SEC. 207. Not to exceed 5 per centum of the appropriations in this title for legal activities and general administration shall be available interchangeably with the approval of the Bureau of the Budget, but no appropriation shall thereby be increased by more than 5 per centum. (*Department of Justice Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF JUSTICE

Appropriation	Motor vehicles to be purchased: Number	Motor vehicles to be purchased: Gross cost	Old vehicles to be exchanged: Number	Old vehicles to be exchanged: Allowance (estimate)	Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION								
Salaries and expenses, general administration.	2	$6,000	2	$500	$5,500	6	$500	1 hired car for use of the Attorney General and 7 other cars for departmental use.
Station wagon						1		Departmental use.
Salaries and expenses, United States attorneys and marshals.	10	19,000	3	450	18,550	3		Used by United States marshals and their deputies for transporting Federal prisoners, and law-enforcement duties in Alaska.
Bus						[1] 6		Used by United States marshals and their deputies for transporting prisoners.
Total, legal activities and general administration.	12	25,000	5	950	24,050	16	500	
FEDERAL BUREAU OF INVESTIGATION								
Salaries and expenses	772	1,042,200	773	115,950	926,250	2,325		Used by special agents in fieldwork.
Armored car	1	10,000	1		10,000	3		Used for experimental purposes and in connection with bank robbery and other investigative matters under jurisdiction of the Federal Bureau of Investigation.
Station wagon	3	5,400	2	300	5,100			Used by special agents in fieldwork.
Total, Federal Bureau of Investigation.	776	1,057,600	776	116,250	941,350	2,328		
IMMIGRATION AND NATURALIZATION SERVICE								
Salaries and expenses	239	358,500	239	47,800	310,700	718	500	[2].
Bus	7	65,800	7	2,800	63,000	21		[3].
Total, Immigration and Naturalization Service.	246	424,300	246	50,600	373,700	739	500	

[1] Excludes 1 bus for emergency replacement only.

[2] 2 used in Washington by Commissioner and staff officers (stationed at 119 D St. NE.) for transportation to and from official meetings in Department of Justice, Budget Bureau, Capitol, and other Government agencies; also by messengers for delivery of special or classified mail in the Washington area; 2 assigned to departmental use. 9 used in the Washington area by immigrant inspectors and investigators of the Washington District Office. Uses include transportation to and from the National Airport for inspection purposes, transportation of aliens to and from detention points, and trips to outlying points for investigative work. 944 used in the field by regional and district staff officers, investigators, patrol inspectors, immigrant inspectors, naturalization examiners, adjudicators, special inquiry officers, and detention officers. Purposes include patrol work, inspection of arrivals, investigative work, trips to naturalization courts, details for holding exclusion or expulsion hearings, and transportation of aliens.

[3] Patrol inspectors and detention officers for transportation of aliens (in the field) to and from detention centers, to border expulsion points, and general deportation work.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959—Continued

DEPARTMENT OF JUSTICE—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FEDERAL PRISON SYSTEM								
Salaries and expenses, Bureau of Prisons.	20	$30,000	20	$2,000	$28,000	54	----------	Wardens and staff at institutions—for administrative purposes, transfer and recapture of prisoners, and jail inspections (6 autos are used in the Washington area).
Station wagon	----------	----------	----------	----------	----------	2	----------	Do.
Ambulance	----------	----------	----------	----------	----------	2	----------	Transporting ill and disabled inmates to and from institution hospitals.
Bus	1	25,000	1	500	24,500	11	----------	Transferring prisoners between institutions, between activities at institutions, and to transportation terminals.
Total, Federal Prison System	21	55,000	21	2,500	52,500	69	----------	
OFFICE OF ALIEN PROPERTY								
Limitation on salaries and expenses	----------	----------	----------	----------	----------	2	----------	In the transaction of official business for the Office of Alien Property, 1 car will be used by the assistant attorney general and 1 car will be used by the staff in Germany.
Total, Department of Justice	1,055	1,561,900	1,048	170,300	1,391,600	3,154	$1,000	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

DEPARTMENT OF JUSTICE

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
IMMIGRATION AND NATURALIZATION SERVICE								
Salaries and expenses	4	$49,000	4	$2,000	$47,000	23	$634,000	Used by border patrol pilots and patrol inspectors for maintaining air-ground liaison for prevention of illegal entries; pursuit of suspected violators, transfers of small task groups of patrol inspectors to points of emergency; transfer of aliens to border points; and deportation of aliens.

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DEPARTMENT OF LABOR

The budget recommends new obligational authority of $465 million for the Department of Labor for the fiscal year 1959, an increase of $2 million over the current year. Seventy-one percent of the total is for grants to States for operation of the Federal-State employment security system. Unemployment payments to veterans, and unemployment and workmen's compensation benefits for Federal personnel or their survivors, represent 22% of the new obligational authority requested. The remaining 7% is for the other manpower, statistics, labor standards, and administrative activities of the Department.

Labor and manpower.—Changing economic conditions are causing an increase in the workload of the nationwide Federal-State employment security offices and the related activities of the Department of Labor. Because of the increase in workload during the current year, the budget includes a supplemental request of $29 million for 1958 for grants to States for administration of unemployment compensation and employment service activities, in addition to the $259.8 million already enacted. A further increase of $40.5 million is recommended for 1959. While these grants are carried as regular appropriations, their cost, as well as the cost of related employment security activities of the Department of Labor and other agencies, is ultimately charged against earmarked proceeds of the Federal unemployment tax. (The Federal receipts from this tax are accounted for separately and do not affect the budgetary surplus or deficit.)

The budget recommends relatively small increases in new obligational authority for several other high-priority labor and manpower functions of the Department of Labor. For example, the Bureau of Apprenticeship and Training will give greater encouragement to labor and industry to increase training of skilled workers, and the Bureau of Labor Statistics will do more work in 1959 on improving national income accounts in such areas as productivity measurements, employment, and prices.

The 1959 appropriation request for the Mexican farm-labor program is down by $910,600 from 1958, as the cost of carrying on certain activities will be transferred to the farm labor supply revolving fund. In 1959 the cost of the migration and reception centers will be paid through the fund by the farmers who use Mexican workers.

Wage and hour, labor standards, and other activities in the general labor and manpower field will be continued at approximately the 1958 level.

Other veterans' readjustment benefits.—Expenditures for special payments to unemployed veterans of the Korean conflict are declining as veterans' eligibility for benefits is running out. However, unemployment for 1958 now appears to be higher than anticipated last year, and the budget includes a supplemental appropriation for $8 million for 1958 in addition to the $36.8 million already enacted. A total of $19 million is recommended for 1959.

Other veterans' services and administration.—The budget provides for continuing the Bureau of Veterans' Reemployment Rights in the fiscal year 1959 at its present strength.

Central personnel management and employment costs.—Unemployment compensation payments to Federal employees, which are borne by the Federal Government but paid according to the provisions of the various State laws, have increased sharply during the current fiscal year. The budget includes a supplemental appropriation request of $14.5 million for 1958 in addition to the $25 million already provided. For the fiscal year 1959 it is estimated that $27.8 million will be needed.

Benefit payments under the Federal Employees' Compensation Act are estimated at $57 million for 1959, a slight decline from the 1958 level because military reservists injured after December 31, 1956, are provided for under veterans' programs and are not eligible for benefits under this program.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Veterans' services and benefits:						
102 Other veterans' readjustment benefits	$67,864	$44,800	$19,000	$53,210	$43,858	$18,175
106 Other veterans' services and administration	383	542	542	382	541	542
Total, veterans' services and benefits	68,247	45,342	19,542	53,592	44,399	18,717
Labor and welfare:						
211 Labor and manpower	283,520	317,638	357,880	281,655	315,800	346,075
General government:						
606 Central personnel management and employment costs	81,822	99,938	87,611	82,320	102,484	87,609
Total, Department of Labor	433,590	462,918	465,033	417,568	462,683	452,401

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
OFFICE OF THE SECRETARY							
Current authorizations:							
Salaries and expenses	211	$1,775,000	$1,480,000	$1,556,000	$1,773,260	$1,483,587	$1,551,000
Intragovernmental funds:							
Working capital fund	211					−68,740	−73,000
Advances and reimbursements	211				65,964	18,088	−2,130
Total, Office of the Secretary		1,775,000	1,480,000	1,556,000	1,839,224	1,432,935	1,475,870
OFFICE OF THE SOLICITOR							
Current authorizations:							
Salaries and expenses	211	2,021,000	2,121,000	2,121,000	2,039,701	2,086,000	2,116,000
BUREAU OF LABOR STANDARDS							
Current authorizations:							
Salaries and expenses	211	911,500	985,000	1,004,000	904,392	979,000	1,002,000
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS							
Current authorizations:							
Salaries and expenses	106	383,000	542,000	542,000	382,012	541,188	542,000
BUREAU OF APPRENTICESHIP AND TRAINING							
Current authorizations:							
Salaries and expenses	211	3,399,000	3,600,000	3,900,000	3,384,744	3,542,775	3,795,600
BUREAU OF EMPLOYMENT SECURITY							
Current authorizations:							
Salaries and expenses	211	5,558,000	125,600	125,600	5,610,226	315,028	136,878
Grants to States for unemployment compensation and employment service administration	211	250,464,900	259,814,000	329,300,000	248,315,752	257,956,207	318,520,000
Unemployment compensation for veterans	102	67,864,322	36,800,000	19,000,000	53,210,349	35,857,624	18,175,000
Unemployment compensation for Federal employees	606	24,715,000	25,000,000	27,800,000	25,216,447	27,602,327	27,800,000
Salaries and expenses, Mexican farm labor program	211	2,125,000	2,250,000	1,339,400	2,093,708	2,209,394	1,393,544
Reconversion unemployment benefits for seamen	211				−20		
Public enterprise funds:							
Farm labor supply revolving fund	211				173,410	76,691	−880,500
Intragovernmental funds:							
Advances and reimbursements	211				1,510		
Proposed for later transmission (under existing legislation):							
Grants to States for unemployment compensation and employment service administration	211		29,000,000			29,000,000	
Unemployment compensation for veterans	102		8,000,000			8,000,000	
Unemployment compensation for Federal employees	606		14,500,000			14,500,000	
Total, Bureau of Employment Security		350,727,222	375,489,600	377,565,000	334,621,382	375,517,271	365,144,922
BUREAU OF EMPLOYEES' COMPENSATION							
Current authorizations:							
Salaries and expenses	606	2,347,000	2,838,000	2,810,600	2,343,404	2,781,682	2,808,720
Employees' compensation fund (indefinite)	606	54,760,413	57,600,000	57,000,000	54,760,413	57,600,000	57,000,000
Total, Bureau of Employees' Compensation		57,107,413	60,438,000	59,810,600	57,103,817	60,381,682	59,808,720
BUREAU OF LABOR STATISTICS							
Current authorizations:							
Salaries and expenses	211	6,875,000	7,200,000	7,572,000	6,771,679	7,160,000	7,548,000
Intragovernmental funds:							
Advances and reimbursements	211				15,942	2,059	40,000
Total, Bureau of Labor Statistics		6,875,000	7,200,000	7,572,000	6,787,621	7,162,059	7,588,000
WOMEN'S BUREAU							
Current authorizations:							
Salaries and expenses	211	403,000	462,000	462,000	409,998	457,000	461,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
WAGE AND HOUR DIVISION							
Current authorizations:							
Salaries and expenses	211	$9,988,000	$10,600,000	$10,500,000	$10,094,655	$10,583,355	$10,466,500
Total new obligational authority and budget expenditures		433,590,135	462,917,600	465,032,600	417,567,546	462,683,265	452,400,612
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$433,590,135	$411,417,600	$465,032,600	$417,567,546	$411,183,265	$452,400,612
Proposed for later transmission:							
Appropriations			51,500,000			51,500,000	
Total new obligational authority and budget expenditures		433,590,135	462,917,600	465,032,600	417,567,546	462,683,265	452,400,612

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
BUREAU OF EMPLOYMENT SECURITY										
Farm labor supply revolving fund	211	$3,360	$3,709	$4,804	$3,187	$3,632	$5,684	$173	$77	−$880

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		$51		$52		$48	$1,556	$1,503	$48		$53
Intragovernmental funds:											
Working capital fund						69			−73	$71	142
Advances and reimbursements	$6	169	$3	87		69			−2		71
Total, Office of the Secretary	6	220	3	139		186	1,556	1,503	−27	71	266
OFFICE OF THE SOLICITOR											
Current authorizations:											
Salaries and expenses		118		92		127	2,121	1,989	127		132
BUREAU OF LABOR STANDARDS											
Current authorizations:											
Salaries and expenses		66		68		74	1,004	928	74		76
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS											
Current authorizations:											
Salaries and expenses		23		19		20	542	522	20		20
BUREAU OF APPRENTICESHIP AND TRAINING											
Current authorizations:											
Salaries and expenses		200		193		250	3,900	3,545	250		355
BUREAU OF EMPLOYMENT SECURITY											
Current authorizations:											
Salaries and expenses		275		201		11	126	126	11		
Grants to States for unemployment compensation and employment service administration		29,445		2,108		3,966	329,300	314,554	3,966		14,746
Unemployment compensation for veterans		53,229		283		1,225	19,000	18,025	150		2,050
Unemployment compensation for Federal employees	3,217	3,414	2,593	2,913		310	27,800	27,490	310		310
Salaries and expenses, Mexican farm labor program		101		99		140	1,339	1,253	140		86
Public enterprise funds:											
Farm labor supply revolving fund	620	1,084	371	911	$303	835			−880	1,317	1,715
Intragovernmental funds:											
Advances and reimbursements		2									
Total, Bureau of Employment Security	3,837	87,550	2,964	6,515	303	6,487	377,565	361,448	3,697	1,317	18,907
BUREAU OF EMPLOYEES' COMPENSATION											
Current authorizations:											
Salaries and expenses		141		137		193	2,811	2,616	193		195
Employees' compensation fund (indefinite)							57,000	57,000			
Total, Bureau of Employees' Compensation		141		137		193	59,811	59,616	193		195
BUREAU OF LABOR STATISTICS											
Current authorizations:											
Salaries and expenses		381		460		500	7,572	7,068	480		524
Intragovernmental funds:											
Advances and reimbursements	14	66		42		40			40		
Total, Bureau of Labor Statistics	14	447		502		540	7,572	7,068	520		524
WOMEN'S BUREAU											
Current authorizations:											
Salaries and expenses		32		20		25	462	436	25		26

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
WAGE AND HOUR DIVISION											
Current authorizations:											
Salaries and expenses	----------	$600	----------	$480	----------	$497	$10,500	$9,970	$497	----------	$530
Total, Department of Labor	$3,857	89,397	$2,967	8,165	$303	8,399	465,033	447,025	5,376	$1,388	21,031
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$3,217	$88,076	$2,593	$7,125	----------	$7,386	$465,033	$447,025	$5,376	----------	$19,103
Revolving and management funds:											
Public enterprise funds	620	1,084	371	911	$303	835				$1,388	1,715
Intragovernmental funds	20	237	3	129	----------	178				----------	213
Total, Department of Labor	3,857	89,397	2,967	8,165	303	8,399	465,033	447,025	5,376	1,388	21,031

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$88,076	$7,125	$7,386
Revolving and management funds	1,321	1,040	1,013
Total balances brought forward	89,397	8,165	8,399
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	433,590	411,418	465,033
Proposed for later transmission: Appropriations		51,500	
Total new obligational authority	433,590	462,918	465,033
Other amounts available: Restored from certified claims account	6		
Total budget authorizations available	522,993	471,083	473,432
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	417,568	411,183	447,025
Out of balances of prior obligational authority			5,376
Total expenditures from obligational authority enacted or recommended	417,568	411,183	452,401
From obligational authority proposed for later transmission: Out of new obligational authority		51,500	
Total budget expenditures	417,568	462,683	452,401
Amounts no longer available:			
Unobligated balances expiring and lapsing	16,707		
Adjustment of balances downward in expired accounts, net	80,553		
Total amounts no longer available	97,260		
Balance carried forward at close of year from authorizations enacted or recommended in this document:			
Appropriations	7,125	7,386	19,103
Revolving and management funds	1,040	1,013	1,928
Total balances carried forward at close of year	8,165	8,399	21,031
Obligations incurred, net	$417,773	$465,582	$463,948

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OFFICE OF THE SECRETARY

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary for the Office of the Secretary of Labor (hereafter in this title referred to as the Secretary), including payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public; and purchase of uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); [$1,480,000, of which not more than $180,000 shall be for international labor affairs: *Provided*, That the limitation of $154,490 for international labor affairs appearing in the Department of Labor Appropriation Act, 1957 (70 Stat. 423) is increased to $159,490] *$1,556,000. (5 U. S. C. 297, 611–622; Executive Order 6166; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$1,480,000** Estimate 1959, **$1,556,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$284,687	$346,975	$344,100
2. Program evaluation and coordination	249,260	256,655	284,040
3. International labor affairs	159,412	180,000	230,000
4. Central information, personnel, library, and fiscal services	616,677	696,370	697,860
Total obligations	1,310,036	1,480,000	1,556,000
Financing:			
Comparative transfers to other accounts	464,758		
Unobligated balance no longer available	206		
New obligational authority	1,775,000	1,480,000	1,556,000
New obligational authority:			
Appropriation	$1,751,000	$1,480,000	$1,556,000
Transferred (71 Stat. 181) from—			
"Salaries and expenses," Bureau of Labor Statistics	12,000		
"Salaries and expenses," Wage and Hour Division	12,000		
Appropriation (adjusted)	1,775,000	1,480,000	1,556,000

This Office is responsible for governmental policy matters affecting labor and in the direction of all programs or functions assigned to the Department.

2. *Program evaluation and coordination.*—This embraces top level planning, evaluating, and coordination of all program operations and program management activities of the Department.

3. *International labor affairs.*—This involves the integration of the Department's international activities and their coordination with those of other agencies, and gives policy guidance to United States participation in the International Labor Organization.

4. *Central information, personnel, library, and fiscal services.*—These are services rendered to all bureaus of the Department.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	171	180	192
Average number of all employees	168	180	192
Number of employees at end of year	171	180	192
Average GS grade and salary	8.4 $6,422	8.3 $6,350	8.4 $6,402
Average salary of ungraded positions	$3,931	$3,931	$3,931
01 Personal services:			
Permanent positions	$1,143,530	$1,209,910	$1,295,710
Other personal services	5,211	8,860	9,163
Total personal services	1,148,741	1,218,770	1,304,873
02 Travel	24,645	21,800	26,625
03 Transportation of things	2,850	1,000	1,000
04 Communication services	21,280	18,850	18,850
05 Rents and utility services		50,000	
06 Printing and reproduction	9,273	5,200	22,700
07 Other contractual services	72,702	70,110	79,185
Services performed by other agencies	10,985	11,770	11,770
08 Supplies and materials	6,734	3,500	3,500
09 Equipment	11,318	3,000	3,000
11 Grants, subsidies, and contributions		76,000	84,497
13 Refunds, awards, and indemnities	905		
15 Taxes and assessments	603		
Total obligations	1,310,036	1,480,000	1,556,000

Intragovernmental funds:

Working Capital Fund

[Working capital fund: There is hereby established a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of (1) a central reproduction service; (2) a central visual exhibit service; (3) a central supply service for supplies and equipment for which adequate stocks may be maintained to meet, in whole or in part, the requirements of the Department; and (4) telephone, mail and messenger services: *Provided*, That any stocks of supplies and equipment on hand or on order on June 30, 1957, shall be used to capitalize such fund: *Provided further*, That the fund may be used to finance the cost of centralized procurement of supplies and equipment and that the fund shall be reimbursed in advance from available funds of bureaus, offices, and agencies for which services are performed at rates which will return in full all expenses of operations, including reserves for accrued annual leave and depreciation of equipment.] *(Department of Labor Appropriation Act, 1958.)*

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold		$168,250	$168,250
Other expense		561,010	558,050
Total operating costs		729,260	726,300
Depreciation included above (−)		−18,000	−18,000
Total operating costs, funded		711,260	708,300
Capital outlay:			
Equipment acquired		271,225	
Donated assets included above (−)		−271,225	
Total capital outlay			
Total program costs, funded		711,260	708,300
Relation of costs to obligations: Obligations incurred for costs of other years, net		68,740	2,130
Total program (obligations)		780,000	710,430
Financing:			
Amounts becoming available: Receipts from operations		780,000	781,300
Unobligated balance carried forward			−70,870
Financing applied to program		780,000	710,430

This fund finances, on a reimbursable basis, common services which can be performed with greater advantage centrally for department headquarters.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 estimate	*1959 estimate*
Selected resources at end of year:		
Unpaid undelivered orders	$68,740	$70,870
Inventories	41,080	41,080
Total selected resources at end of year	109,820	111,950
Selected resources at start of year (−)		−109,820
Supplies capitalized (−)	−41,080	
Obligations incurred for cost of other years, net	68,740	2,130

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale		$168,250	$168,250
Expense		543,010	542,180
Working capital absorbed		27,660	
Total gross expenditures		738,920	710,430
Receipts from operations (funds provided):			
Revenue		780,000	781,300
Decrease in selected working capital		27,660	2,130
Total receipts from operations		807,660	783,430
Budget expenditures		−68,740	−73,000

Revenue, Expense, and Retained Earnings

Revenue		$780,000	$781,300
Expense		729,260	728,430
Net income for the year		50,740	52,870
Retained earnings, beginning of year			50,740
Retained earnings, end of year		50,740	103,610

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury		$68,740	$141,740
Supplies, deferred charges, etc		41,080	41,080
Equipment, net		253,225	235,225
Total assets		363,045	418,045
Liabilities:			
Current		68,740	70,870
Government investment:			
Non-interest-bearing capital:			
Start of year			243,565
Capital donated during year		243,565	
End of year		243,565	243,565
Retained earnings		50,740	103,610
Total Government investment		294,305	347,175

Status of Certain Fund Balances

	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$68,740	$141,740
Obligated balance, net: Current liabilities	68,740	70,870
Unobligated balance		70,870

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	96	118	118
Average number of all employees	95	118	118
Number of employees at end of year	93	118	118
Average GS grade and salary	4.4 $4,225	4.7 $4,316	4.7 $4,316
Average salary of ungraded positions	$4,328	$4,325	$4,325
01 Personal services:			
Permanent positions	$399,771	$509,750	$509,750
Other personal services		2,000	2,000
Total personal services	399,771	511,750	511,750
02 Travel	468	1,000	1,000
03 Transportation of things		1,000	1,000
04 Communication services	331	700	700
07 Other contractual services	1,930	13,000	13,000
08 Supplies and materials	368	220,600	149,730
11 Grants, subsidies, and contributions		31,950	33,250
13 Refunds, awards, and indemnities	410		
15 Taxes and assessments	117		
Subtotal	403,395	780,000	710,430
Deduct obligations included in object class 07 in other schedules	403,395		
Total obligations		780,000	710,430

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Cooperative program for the exchange of persons in the field of labor (Department of State)	$2,284	$3,284	
2. Construction of visual exhibits	48,324		
3. Special study to obtain compliance with terms of Government contracts:			
Atomic Energy Commission	31,440	33,250	$33,250
Department of Defense	89,827	95,000	95,000
Department of Commerce	13,474	14,250	14,250
General Services Administration	31,440	33,250	33,250
4. Maintenance of central stockroom:			
Office of the Secretary	42,633		
Office of the Solicitor	15,000		
Bureau of Labor Standards	10,400		
Bureau of Veterans' Reemployment Rights	2,000		
Bureau of Apprenticeship	7,300		
Bureau of Employees' Compensation	8,900		
Bureau of Employment Security	44,000		
Bureau of Labor Statistics	53,780		
Women's Bureau	4,000		
Wage and Hour Division	26,000		

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
5. Special study of labor relations in the atomic energy field (Atomic Energy Commission)	$5,329		
6. Confidential project	64,873	$65,000	
7. Miscellaneous services to other accounts	226,011	150,000	
Total obligations	727,015	394,034	$175,750
Financing:			
Unobligated balance brought forward	5,567	3,284	
Advances and reimbursements from other accounts	724,756	390,750	
Unobligated balance carried forward	−3,284		
Unobligated balance no longer available	−24		
Total financing	727,015	394,034	175,750

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	40	29	18
Full-time equivalent of all other positions	4	1	
Average number of all employees	43	30	18
Number of employees at end of year	47	29	18
Average GS grade and salary	7.9 $5,800	8.7 $6,391	9.3 $6,715
01 Personal services:			
Permanent positions	$234,618	$185,340	$120,850
Positions other than permanent	31,452	5,000	
Total personal services	266,070	190,340	120,850
02 Travel	43,610	36,900	20,000
03 Transportation of things	3,007	3,000	3,000
04 Communication services	29,944	29,800	6,500
05 Rents and utility services	186	3,400	3,400
06 Printing and reproduction	32,980	25,800	6,500
07 Other contractual services	82,329	69,460	4,500
08 Supplies and materials	250,192	20,000	4,000
09 Equipment	15,433		
11 Grants, subsidies, and contributions	2,284	15,334	7,000
15 Taxes and assessments	980		
Total obligations	727,015	394,034	175,750

OFFICE OF THE SOLICITOR

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the Office of the Solicitor, $2,121,000, together with not to exceed $200,000 to be derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956. *(50 U. S. C. 297, 611–622; Executive Order 6166; Reorganization Plan No. 2 of 1949; Reorganization Plan No. 14 of 1950; Reorganization Plan No. 19 of 1950; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$2,121,000** Estimate 1959, **$2,121,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Litigation	$293,922	$314,012	$314,012
2. Interpretations and legal advisory services	296,807	270,418	270,418
3. Wage determinations	345,202	373,678	373,678
4. Legislative advisory services	159,792	164,764	164,764
5. Enforcement of regulatory labor laws (regional offices)	957,748	1,016,196	1,016,196
6. Executive direction and management services	169,854	181,932	181,932
Total obligations	2,223,325	2,321,000	2,321,000
Financing:			
Comparative transfers from (−) other accounts	−43,031		
Advances and reimbursements from non-Federal sources (70 Stat. 387)	−160,000	−200,000	−200,000
Unobligated balance no longer available	706		
Appropriation (new obligational authority)	2,021,000	2,121,000	2,121,000

1. *Litigation.*—This includes direction and supervision of enforcement of Federal labor standards statutes through court actions and administrative proceedings.

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During 1957 approval was given to the regional offices for the filing of 1,104 actions in the district courts of the United States. A further increase in court litigation is expected in 1958 and 1959.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Cases instituted	719	1,104	1,200	1,350
Cases closed	791	872	950	1,000
Cases pending in court at end of year	299	499	600	650

2. *Interpretations and legal advisory services.*—The Office provides legal services to departmental officials. During 1957, 8,576 interpretations were rendered on Federal wage, hour, and child labor laws. The workload in 1958 and 1959 is expected to remain at current high levels.

3. *Wage determinations.*—Predetermination is made of prevailing wages to be paid to laborers and mechanics on public construction contracts. The Office coordinates the administration and enforcement by the Federal contracting agencies of labor-standards provisions in statutes relating to public construction.

In 1957 there were 28,065 wage determinations made on request for contracting agencies. Based on estimates from Federal contracting agencies, the workload volume in 1958 and 1959 will be higher than in 1957. The first wage determinations under the Federal Highway Act were made in 1957.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Requests for wage determinations: Federal contracts	21,937	26,916	31,485	31,360
Federal highway program	------	1,284	2,700	2,900

4. *Legislative advisory services.*—This provides analyses and interpretations of existing legislation and drafts of proposed legislation for the Department. During 1957, 468 legislative reports were prepared, an increase of 62 or 15% over 1956. No reduction in the volume of work is anticipated during 1958 and 1959.

5. *Enforcement of regulatory labor laws (regional offices).*—Services rendered at the regional level include interpretations and legal advice to regional office officials and to the public on specific request; and enforcement through court and administrative proceedings of Federal labor standards statutes.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	362	319	319
Average number of all employees	310	313	312
Number of employees at end of year	325	315	315
Average GS grade and salary	8.3 $5,973	8.3 $6,134	8.3 $6,134
01 Personal services:			
Permanent positions	$1,866,631	$1,930,480	$1,925,980
Other personal services	13,662	13,550	13,550
Total personal services	1,880,293	1,944,030	1,939,530
02 Travel	86,830	82,000	82,000
03 Transportation of things	1,726	900	900
04 Communication services	35,953	29,600	29,600
05 Rents and utility services	5,100	2,250	2,250
06 Printing and reproduction	11,815	10,000	10,000
07 Other contractual services	44,638	26,620	26,620
Services performed by other agencies	81,300	72,100	72,100
08 Supplies and materials	37,590	33,200	33,200
09 Equipment	35,030	2,000	2,000
11 Grants, subsidies, and contributions	----------	117,000	121,500
15 Taxes and assessments	3,050	1,300	1,300
Total obligations	2,223,325	2,321,000	2,321,000

BUREAU OF LABOR STANDARDS

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the promotion of industrial safety, employment stabilization, and amicable industrial relations for labor and industry; performance of safety functions of the Secretary under the Federal Employees' Compensation Act, as amended (5 U. S. C. 784 (c)); performance of the functions vested in the Secretary by title I of the Labor-Management Relations Act, 1947 (29 U. S. C. 159 (f) and (g)); and not less than [$182,575] *$201,575* for the work of the President's Committee on National Employ the Physically Handicapped Week, as authorized by the Act of July 11, 1949 (63 Stat. 409): *Provided*, That no part of the appropriation for the President's Committee shall be subject to reduction or transfer to any other department or agency under the provisions of any existing law; including purchase of reports and of material for informational exhibits and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards; [$985,000] *$1,004,000. (5 U. S. C. 611, 784 (b); 33 U. S. C. 941; Reorganization Plan No. 2 of 1946; Reorganization Plan No. 6 of 1950; Reorganization Plan No. 19 of 1950; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$985,000** Estimate 1959, **$1,004,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Improving State labor legislation	$163,343	$164,044	$164,044
2. Improving conditions of migratory workers	52,297	58,925	58,925
3. Reducing industrial accidents	361,458	386,901	386,901
4. Protecting young workers and advancing their employment opportunities	81,095	84,755	84,755
5. Promoting employment of physically handicapped	162,148	182,575	201,575
6. Registration of labor union data	26,899	25,482	25,482
7. Executive direction and management services	77,564	82,318	82,318
Total obligations	924,804	985,000	1,004,000
Financing:			
Comparative transfers from (−) other accounts	−13,400	----------	----------
Unobligated balance no longer available	96	----------	----------
Appropriation (new obligational authority)	911,500	985,000	1,004,000

1. *Improving State labor legislation.*—This is accomplished by advising States on appropriate labor law administration and legislation and by negotiating Federal-State agreements to eliminate duplication in inspection. Assistance was provided to 43 States in 1957 in response to 763 requests.

2. *Improving conditions of migratory workers.*—Cooperation is maintained with Federal and State agencies and voluntary organizations to improve the working and living conditions of migratory workers; a secretariat for the President's Committee on Migratory Labor is provided. Assistance was given to 34 States and 16 State committees on migratory labor matters in 1957.

3. *Reducing industrial accidents.*—This provides assistance in occupational accident prevention to States, labor unions, and Federal agencies by advising on inspection techniques and conducting training courses. During 1957, there were 1,484 safety surveys completed and 73 training courses conducted for 2,200 trainees.

4. *Protecting young workers and advancing their employment opportunities.*—This includes research activities, serving as a center of information and advisory service in this field; promotes annual back-to-school campaign; develops

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BUREAU OF LABOR STANDARDS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

standards for child-labor regulations under the Fair Labor Standards Act.

5. *Promoting employment of physically handicapped.*—A continuing program of public education is conducted through the President's Committee to advance the employment of handicapped citizens and cooperation is maintained with all national groups interested in this field including the governors' committees in the States and Territories.

6. *Registration of labor union data.*—Financial and organizational data are required to be filed as a condition of union use of National Labor Relations Board facilities. About 24,000 register annually.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	113	111	113
Full-time equivalent of all other positions	4	2	2
Average number of all employees	110	110	112
Number of employees at end of year	110	111	114
Average GS grade and salary	8.9 $6,645	9.0 $6,695	9.0 $6,626
01 Personal services:			
Permanent positions	$705,664	$726,700	$733,300
Positions other than permanent	9,689	9,000	9,000
Other personal services		2,900	2,900
Total personal services	715,353	738,600	745,200
02 Travel	60,465	64,200	66,200
03 Transportation of things	4,519	4,100	7,100
04 Communication services	12,251	16,500	16,500
06 Printing and reproduction	56,324	61,900	64,400
07 Other contractual services	4,404	1,850	1,850
Services performed by other agencies	50,699	41,650	43,150
08 Supplies and materials	12,037	6,800	6,800
09 Equipment	7,667	4,800	5,800
11 Grants, subsidies, and contributions		44,100	46,500
13 Refunds, awards, and indemnities	545		
15 Taxes and assessments	540	500	500
Total obligations	924,804	985,000	1,004,000

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary to render assistance in connection with the exercise of reemployment rights under section 8 of the Selective Training and Service Act of 1940, as amended (50 U. S. C. App. 308), the Service Extension Act of 1941, as amended (50 U. S. C. App. 351), the Army Reserve and Retired Personnel Service Law of 1940, as amended (50 U. S. C. App. 401), and section 9 of the Universal Military Training and Service Act (50 U. S. C. App. 459), and the Reserve Forces Act of 1955 (69 Stat. 598), $542,000. (*50 U. S. C. App. 325; Department of Labor Appropriation Act, 1958.*)

Appropriated 1958, **$542,000** Estimate 1959, **$542,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Promotion of compliance and assistance to veterans	$300,542	$427,650	$427,650
2. Executive direction and management services	84,421	114,350	114,350
Total obligations	384,963	542,000	542,000
Financing:			
Comparative transfers from (−) other accounts	−2,000		
Unobligated balance no longer available	37		
Appropriation (new obligational authority)	383,000	542,000	542,000

Assistance is provided veterans and reservists on training duty to get reinstated with their preservice employers and other employment advantages to which they may be entitled, based on seniority accrued while in military service. Compliance is advanced by informing employers and labor organizations of their reemployment responsibilities.

WORKLOAD

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Cases:				
On hand, beginning of year	3,881	2,606	2,847	2,697
Received	5,330	6,923	7,100	7,200
Closed	6,605	6,682	7,250	7,450
On hand, end of year	2,606	2,847	2,697	2,447

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	48	65	65
Full-time equivalent of all other positions	3	5	5
Average number of all employees	50	69	69
Number of employees at end of year	61	67	67
Average GS grade and salary	8.5 $6,564	8.3 $6,256	8.3 $6,256
01 Personal services:			
Permanent positions	$311,609	$401,150	$401,150
Positions other than permanent	9,312	16,100	16,100
Other personal services		1,550	1,550
Total personal services	320,921	418,800	418,800
02 Travel	36,728	59,900	59,900
03 Transportation of things	787	2,400	2,400
04 Communication services	11,188	14,000	14,000
06 Printing and reproduction	3,124	7,000	7,000
07 Other contractual services	8,069	9,600	7,900
08 Supplies and materials	1,860	2,000	2,000
09 Equipment	1,488	3,000	3,000
11 Grants, subsidies, and contributions		25,000	26,700
13 Refunds, awards, and indemnities	425		
15 Taxes and assessments	373	300	300
Total obligations	384,963	542,000	542,000

BUREAU OF APPRENTICESHIP *AND TRAINING*

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice training, as authorized by the Acts of March 4, 1913 (5 U. S. C. 611), and August 16, 1937 (29 U. S. C. 50), [$3,600,000] *$3,900,000.* (*Department of Labor Appropriation Act, 1958.*)

Appropriated 1958, **$3,600,000** Estimate 1959, **$3,900,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Training promotion and service to industry	$2,947,326	$3,129,700	$3,372,375
2. Training research and technical services	250,112	261,400	309,360
3. Executive direction and management	200,239	208,900	218,265
Total obligations	3,397,677	3,600,000	3,900,000
Financing:			
Comparative transfers from (−) other accounts	−8,900		
Unobligated balance no longer available	10,223		
Appropriation (new obligational authority)	3,399,000	3,600,000	3,900,000

1. *Training promotion and service to industry.*—Industry and labor are encouraged and assisted to organize and improve programs for developing skills in the work force through apprenticeship and allied training. About 145,000 establishments, 12,000 union locals, and 2,400 local chapters of employer associations participate, providing employment and training for 230,000 apprentices.

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2. *Training research and technical services.*—Information is provided on skill requirements, training technology, and appropriate labor standards for on-the-job training programs. Training aids and other techniques to increase the effectiveness of industrial training are made available. About eight pamphlets are published each year to call attention to skill needs or labor force conditions in various industries and to superior skill development programs. Approximately 1,000 written recommendations for improving training practices are made each year to management and labor.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	495	491	523
Average number of all employees	482	484	516
Number of employees at end of year	482	484	516
Average GS grade and salary	7.9 $5,912	8.0 $5,969	8.0 $5,929
01 Personal services:			
Permanent positions	$2,850,779	$2,890,560	$3,058,760
Other personal services	5,267	16,640	17,290
Total personal services	2,856,046	2,907,200	3,076,050
02 Travel	317,420	318,000	340,700
03 Transportation of things	8,483	9,000	12,450
04 Communication services	65,581	66,500	71,250
05 Rents and utility services	2,805	1,102	9,502
06 Printing and reproduction	12,171	20,700	46,000
07 Other contractual services	17,637	15,500	53,550
Services performed by other agencies	82,222	67,050	71,350
08 Supplies and materials	12,166	9,600	10,150
09 Equipment	18,004	7,400	17,900
11 Grants, subsidies, and contributions		176,000	187,925
13 Refunds, awards, and indemnities	3,380		
15 Taxes and assessments	1,762	1,948	3,173
Total obligations	3,397,677	3,600,000	3,900,000

BUREAU OF EMPLOYMENT SECURITY

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary for the general administration of the employment service and unemployment compensation programs, including temporary employment of persons, without regard to the civil-service laws, for the farm placement migratory labor program; and not to exceed $10,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); [$5,958,000] *$6,300,000*, of which [$5,832,400] *$6,174,400* shall be derived by transfer from the Federal unemployment account in the unemployment trust fund, and, of which [$1,125,000] *$1,145,800* shall be for carrying into effect the provisions of title IV (except section 602) of the Servicemen's Readjustment Act of 1944. *(42 U. S. C. 903; 29 U. S. C. 49–49n; 38 U. S. C. 695–695f; Reorganization Plan No. 3 of 1946, sec. 901, 5 U. S. C. 133y–133y–16; Reorganization Plan No. 2 of 1949, 5 U. S. C. 133z–133z–15; 38 U. S. C. 991–999; 42 U. S. C. 1361–1370; 5 U. S. C. 1 and 623b; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$125,600** Estimate 1959, **$125,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Veterans' placement service	$1,061,612	$1,125,000	$1,145,800
2. Farm placement service	201,427	206,900	207,600
3. Collection and interpretation of labor market information	656,358	660,200	699,500
4. Assistance in maintaining public employment services	734,510	793,700	875,500
5. Unemployment insurance service	757,115	766,600	804,700
6. Field guidance, financing, and auditing of State operations	1,794,421	1,900,200	2,060,400
7. Executive direction and management	157,045	191,300	191,700
8. Central administrative services	322,269	314,100	314,800
Total obligations	5,684,757	5,958,000	6,300,000
Financing:			
Comparative transfers from (−) other accounts	−135,700		
Advances and reimbursements from non-Federal sources (71 Stat.211)		−5,832,400	−6,174,400
Unobligated balance no longer available	8,943		
Appropriation (new obligational authority)	5,558,000	125,600	125,600

1. *Veterans' placement service.*—This service helps State local employment offices to give suitable counseling and placement services to veterans and promotes the interest of employers to employ veterans.

2. *Farm placement service.*—In cooperation with the State farm placement offices, this service develops and uses special recruitment and placement programs to meet agriculture's need for year-round and seasonal workers.

3. *Collection and interpretation of labor market information.*—Information is analyzed on (*a*) the administrative operations of the unemployment insurance and employment service programs; and (*b*) supply, demand, and utilization of labor by areas, industries, and occupations.

4. *Assistance in maintaining public employment services.*—The Bureau assists the States on (*a*) counseling and testing of youth, veterans, handicapped and older workers, and others in occupational adjustment; (*b*) recruitment and placement programs; and (*c*) interstate movement of workers. In 1959 emphasis will be placed on job placement services in smaller centers of labor surplus.

5. *Unemployment insurance service.*—State laws and interpretations are reviewed to assure conformity with the Federal law requirements. Surveys are made to assist States in improving administrative procedures. The Bureau directs State and Federal agencies in the administration of Federal benefits to unemployed veterans and Federal employees. In 1959 emphasis will be given to (*a*) improving accounting for taxes and extending the internal audit function; (*b*) more thorough examination of questionable claims; and (*c*) improving claims processing procedures.

6. *Field guidance, financing, and auditing of State operations.*—The 53 State employment security agencies are assisted in improving their programs, organization, and management. Agencies are audited annually. In 1959 increased attention will be given to the (*a*) audit of State agency expenditures from granted funds and to improvement of State agency management policies and practices; (*b*) improvement in controls over tax collection, accounting, and auditing; (*c*) improvement in handling claims and making benefit payments; and (*d*) assuring continuity of the Federal-State employment security programs under emergency conditions.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	781	753	803
Full-time equivalent of all other positions	1	1	1
Average number of all employees	746	733	781
Number of employees at end of year	733	753	803
Average GS grade and salary	8.6 $6,536	8.7 $6,607	8.7 $6,557
01 Personal services:			
Permanent positions	$4,827,868	$4,835,700	$5,113,000
Positions other than permanent	2,714	4,000	4,000
Other personal services	24,488	40,200	40,200
Total personal services	4,855,070	4,879,900	5,157,200
02 Travel	382,472	372,800	402,200
03 Transportation of things	13,081	9,700	9,700
04 Communication services	95,102	83,400	86,000
05 Rents and utility services	973	900	900
06 Printing and reproduction	86,308	82,600	82,600
07 Other contractual services	164,287	152,400	153,300
Services performed by other agencies	51,842	53,900	53,900
08 Supplies and materials	18,370	18,100	20,600
09 Equipment	10,008	3,200	3,200
11 Grants, subsidies, and contributions		299,300	328,600
13 Refunds, awards, and indemnities	4,755		
15 Taxes and assessments	2,489	1,800	1,800
Total obligations	5,684,757	5,958,000	6,300,000

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BUREAU OF EMPLOYMENT SECURITY—Continued

Current authorizations—Continued

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION

[Grants to States for unemployment compensation and employment service administration:] For grants in accordance with the provisions of the Act of June 6, 1933, as amended (29 U. S. C. 49–49n), for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, for grants to the States as authorized in title III of the Social Security Act, as amended (42 U. S. C. 501–503), including, upon the request of any State, the purchase of equipment, and the payment of rental for space made available to such State in lieu of grants for such purpose, for necessary expenses including purchasing and installing of air-conditioning equipment in connection with the operation of employment office facilities and services in the District of Columbia, and for expenses not otherwise provided for, necessary for carrying out title IV of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 684) and title XV of the Social Security Act, as amended (68 Stat. 1130), [$259,814,000] *$329,300,000*, of which $10,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments: *Provided*, That notwithstanding any provision to the contrary in section 302 (a) of the Social Security Act, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the Act of June 6, 1933, and, except in the case of Puerto Rico, Guam, and the Virgin Islands, with the provisions of section 303 of the Social Security Act, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its unemployment compensation law and of its public employment offices: *Provided further*, That such amounts as may be agreed upon by the Department of Labor and the Post Office Department shall be used for the payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter in connection with the administration of unemployment compensation systems and employment services by States receiving grants herefrom.

In carrying out the provisions of said Act of June 6, 1933, the provisions of section 303 (a) (1) of the Social Security Act, as amended, relating to the establishment and maintenance of personnel standards on the merit basis, shall apply.

None of the funds appropriated by this title to the Bureau of Employment Security for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under title III of the Social Security Act, as amended, and under the Act of June 6, 1933, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under such title and under such Act of June 6, 1933, to be charged to the appropriation therefor for that fiscal year. *(38 U. S. C. 695b; 29 U. S. C. 49–49n; 42 U. S. C. 1361–1370; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$259,814,000** Estimate 1959, **$329,300,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Unemployment compensation	$131,412,544	$142,930,000	$188,327,000
2. Employment service	85,310,703	87,266,000	98,496,000
3. State administration	26,190,572	26,104,000	29,296,000
4. Veterans' unemployment compensation	3,318,637	1,961,000	1,279,000
5. Unemployment compensation for Federal employees	1,766,080	1,553,000	1,902,000
6. Contingency fund			10,000,000
Program obligation of the States	247,998,536	259,814,000	329,300,000
7. Financing adjustment for advances to the States	$464,900		
Total obligations	248,463,436	$259,814,000	$329,300,000
Financing:			
Unobligated balance no longer available	2,001,464		
New obligational authority	250,464,900	259,814,000	329,300,000
New obligational authority:			
Appropriation	$250,000,000	$259,814,000	$329,300,000
Available from subsequent year	20,203,000	20,203,000	20,203,000
Available in prior year	−19,738,100	−20,203,000	−20,203,000
Appropriation (adjusted)	250,464,900	259,814,000	329,300,000

Grants are made to the States for administration of the unemployment compensation and employment service programs. The increase of $69.5 million is due primarily to increased workloads in the claims and benefit functions.

The claims and benefit workloads in 1958 are exceeding the estimates at the time of the appropriation. For this reason a supplemental appropriation of $29,000,000 is proposed for later transmission. The 1958 workloads below include those to be performed with the additional funds.

1. *Unemployment compensation.*—State funds are used to make unemployment compensation payments to unemployed workers eligible under State laws. Federal grants cover State administrative expenses for collecting about $1.5 billion in taxes, paying about $2.4 billion in benefits, and deciding appeals. The 1959 increase results from increased claims and normal growth of the economy.

UNEMPLOYMENT COMPENSATION WORKLOADS

	1957			
Basic workload	*Number*	*Percent change from 1956*	*1958 estimate*	*1959 estimate*
Employer tax returns processed	8,358,000	+14	8,800,000	9,000,000
Employee wage items recorded	125,028,000	+9	127,000,000	130,000,000
Initial claims taken	12,002,000	+4	17,930,000	17,930,000
Continued claims taken	62,406,000	+11	97,800,000	97,800,000
Claims processed	6,921,000	+8	10,210,000	10,210,000
Benefit payments made	54,239,000	+13	83,100,000	83,100,000
Appeals	220,000	−7	400,000	400,000

2. *Employment service.*—Federal grants finance an employment service to find employment for persons seeking jobs and to provide workers for employers who need them. This is accomplished by selecting and referring workers to jobs, providing services to employers in the analysis of jobs and staffing problems and by testing and counseling services. In 1959, 13% more counseling service will be provided, especially to handicapped and older workers and to young persons entering the labor market.

EMPLOYMENT SERVICE WORKLOADS

	1957			
Basic workload	*Number*	*Percent change from 1956*	*1958 estimate*	*1959 estimate*
Applications for work taken	8,546,000	+6	9,500,000	9,500,000
Counseling interviews	1,508,000	+4	1,600,000	1,800,000
Individuals tested	1,448,000	+10	1,500,000	1,500,000
Placements, nonagricultural	6,163,000	−3	6,100,000	6,100,000

3. *State administration.*—State headquarters offices provide leadership and planning for the unemployment compensation and employment service activities in the central and local offices, as well as legal, fiscal, personnel, training, and research activities.

4. *Veterans unemployment compensation.*—Claims filed by veterans require processing activities similar to those

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listed under activity 1. The reduction in 1959 results from the decline in the number of eligible veterans whose claims must be processed. The benefit payments themselves are provided by the unemployment compensation for veterans appropriation.

5. *Unemployment compensation for Federal employees.*—Claims filed by Federal employees require processing activities similar to those listed under Activity 1. The benefit payments are provided by the unemployment compensation for Federal employees appropriation. These benefit payments are expected to be higher in 1958 than in 1957 or 1959 and therefore processing activities will also increase temporarily in 1958.

6. *Contingency fund.*—This fund is used to meet unforeseen increases in the number of claims filed, in State salary rates, and changes in State unemployment compensation laws.

7. *Financing adjustment for advances to the States.*—Because of State legal requirements, funds for July operations must be made available to the States before the year begins. In 1957 obligations were increased by $464,900 because $19,738,100 had been advanced to 1956 from 1957, while $20,203,000 was advanced from 1958 to 1957.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	128	133	133
Average number of all employees	123	130	130
Number of employees at end of year	127	133	133
Average GS grade and salary	6.6 $4,985	6.6 $5,059	6.6 $5,059
01 Personal services:			
Permanent positions	$602,333	$659,500	$659,500
Other personal services	1,650	4,100	4,100
Total personal services	603,983	663,600	663,600
02 Travel	1,854	2,000	2,000
04 Communication services	14,596	15,000	15,000
05 Rents and utility services	117,739	120,000	120,000
06 Printing and reproduction	21,702	10,000	10,000
07 Other contractual services	49,434	15,000	15,000
08 Supplies and materials	5,414	6,000	6,000
09 Equipment	7,072		5,000
11 Grants, subsidies, and contributions	247,641,642	258,982,400	328,463,400
Total obligations	248,463,436	259,814,000	329,300,000

Unemployment Compensation for Veterans

[Unemployment compensation for veterans:] For payments to unemployed veterans as authorized by title IV of the Veterans' Readjustment Assistance Act of 1952, [$36,800,000] *$19,000,000.*

Unemployment compensation for veterans, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title IV of the Veterans' Readjustment Assistance Act of 1952, such sums as may be necessary to pay benefits for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year. *(38 U. S. C. 991-999; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$36,800,000** Estimate 1959, **$19,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Unemployment compensation payments (total obligations)	$53,199,736	$36,800,000	$19,000,000
Financing:			
Unobligated balance brought forward	−1,000		
Unobligated balance no longer available	14,665,586		
New obligational authority	67,864,322	36,800,000	19,000,000
New obligational authority:			
Appropriation	$70,000,000	$36,800,000	$19,000,000
Available from subsequent year	2,675,000	2,675,000	2,675,000
Available in prior year	−4,810,678	−2,675,000	−2,675,000
Appropriation (adjusted)	67,864,322	36,800,000	19,000,000

Funds are allocated to the States for payment of unemployment compensation to eligible veterans who served in the Armed Forces between June 27, 1950, and January 31, 1955.

In 1958 benefit payments are being made at a rate which will require more than the amount of the appropriation. This trend is expected to continue and a supplemental appropriation of $8,000,000 is proposed for later transmission. Workload estimates below reflect work to be accomplished including this supplemental, but the program and financing schedule does not include the supplemental.

Benefit payments are estimated to decrease $25,800,000 in 1959. This is due to the President's proclamation of January 1, 1955, which restricts benefits to veterans who served in the Armed Forces before February 1, 1955. In addition, the limitation of benefit payments to 3 years after date of separation, which will go into effect July 26, 1958, will further restrict benefit payments in 1959.

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Initial claims taken	374,519	350,000	250,000
Weeks compensated	2,405,135	2,029,000	828,000
Weekly average insured unemployment	49,998	41,500	17,500
Average weekly benefits	$23.09	$23.00	$23.00

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$53,199,736	$36,800,000	$19,000,000

Unemployment Compensation for Federal Employees

[Unemployment compensation for Federal employees:] For payments to unemployed Federal employees, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, [$25,000,000] *$27,800,000.*

Unemployment compensation for Federal employees, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, such amounts as may be required for payment to unemployed Federal employees for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year. *(42 U. S. C. 1361-1370; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$25,000,000** Estimate 1959, **$27,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Unemployment compensation payments (total obligations)	$25,339,605	$27,592,947	$27,800,000
Financing:			
Unobligated balance brought forward	−3,217,552	−2,592,947	
Unobligated balance carried forward	2,592,947		
New obligational authority	24,715,000	25,000,000	27,800,000
New obligational authority:			
Appropriation	$25,000,000	$25,000,000	$27,800,000
Available from subsequent year	1,795,000	1,795,000	1,795,000
Available in prior year	−2,080,000	−1,795,000	−1,795,000
Appropriation (adjusted)	24,715,000	25,000,000	27,800,000

Funds are allocated to the States for the payment of unemployment compensation to Federal employees. Benefits are paid in accordance with the State unemployment compensation laws.

In 1958 benefit payments are being made at a rate higher than the $25,000,000 appropriation will support. A supplemental appropriation of $14,500,000 is proposed for later transmission.

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BUREAU OF EMPLOYMENT SECURITY—Continued

Current authorizations—Continued

Unemployment Compensation for Federal Employees—Con.

It is expected that Federal employment will be more stable in 1959 and that these benefit payments will decline to $27,800,000. Workloads are estimated to be approximately the same as in 1957 but the average weekly payment will increase somewhat, reflecting action to increase compensation payments in some States.

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Initial claims taken	135,051	200,000	135,000
Weeks compensated	976,567	1,521,000	977,000
Weekly average insured unemployment	20,323	31,100	20,300
Average weekly benefits	$26.77	$28.00	$28.50

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$25,339,605	$27,592,947	$27,800,000

Salaries and Expenses, Mexican Farm Labor Program

[Salaries and expenses, Mexican farm labor program:] For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the Act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil service laws, $2,250,000, *of which $910,600 shall be derived by transfer from the farm labor supply revolving fund: Provided, That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the Act of October 31, 1949, as amended (7 U. S. C. 1462), shall include all expenses of maintaining and operating migration and reception centers, including salaries and expenses of regular and other employees engaged therein. (7 U. S. C. 1461–1468; International Executive Agreement, August 11, 1951, as amended; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$2,250,000** Estimate 1959, **$1,339,400**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Determining Mexican labor requirements	$46,548	$53,700	$53,700
2. Supplying Mexican labor requirements	1,179,855	1,294,300	1,294,300
3. Determing compliance with contract provisions	424,553	480,600	480,600
4. Farm labor analysis	24,448	21,900	21,900
5. Management and administrative services	217,296	210,900	210,900
6. Field direction	182,280	188,600	188,600
Total obligations	2,074,980	2,250,000	2,250,000
Financing:			
Comparative transfers to other accounts	28,972		
Proposed reimbursement from "Farm labor supply revolving fund"			−910,600
Unobligated balance no longer available	21,048		
Appropriation (new obligational authority)	2,125,000	2,250,000	1,339,400

Mexican agricultural labor is imported for use in areas having a shortage of domestic agricultural workers. Authorization for this program was extended to June 30, 1959, by the act of August 9, 1955 (60 Stat. 615). In 1959, $910,600 of expenses formerly charged to this appropriation will be paid from the farm labor supply revolving fund.

1. *Determining Mexican labor requirements.*—The agricultural areas needing Mexican workers and the number of workers required are determined. Requests from 350 areas are considered annually.

2. *Supplying Mexican labor requirements.*—Workers are recruited in Mexico and transported to centers in the United States where employers contract for their use. In 1957 there were 450,162 workers contracted. In 1959, an estimated 450,000 workers will be contracted. Direct costs such as transportation, subsistence, medical examinations, etc., are charged to the revolving fund. The overall cost, including revolving fund expenses, for supplying a Mexican agricultural worker averaged $12.16 in 1957 and is estimated to be $13.68 in 1958 due to a general increase in costs.

3. *Determining compliance with contract provisions.*—Complaints of contract violations are investigated, and housing and other facilities required by the contract are inspected.

	1957 actual	*1958 estimate*	*1959 estimate*
Complaints	4,235	4,250	4,250
Housing and facilities inspections	8,006	8,500	8,500

4. *Farm labor analysis.*—Farm labor reports are analyzed to evaluate the Mexican labor program. Technical assistance is provided States in the preparation of these reports, which will number 6,150 in 1959 as compared with 5,600 in 1957.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	340	333	333
Full-time equivalent of all other positions	117	67	67
Average number of all employees	387	382	382
Number of employees at end of year	370	369	369
Average GS grade and salary	6.5 $4,772	6.7 $4,848	6.7 $4,848
01 Personal services:			
Permanent positions	$1,315,255	$1,514,476	$1,514,476
Positions other than permanent	302,439	172,800	172,800
Other personal services	62,771	70,924	70,924
Total personal services	1,680,465	1,758,200	1,758,200
02 Travel	217,706	240,000	240,000
03 Transportation of things	7,410	10,200	10,200
04 Communication services	60,193	60,200	60,200
05 Rents and utility services	13,136	13,500	13,500
06 Printing and reproduction	7,673	8,800	8,800
07 Other contractual services	58,140	51,900	48,600
08 Supplies and materials	10,248	11,900	11,900
09 Equipment	6,040	5,000	5,000
11 Grants, subsidies, and contributions		81,600	84,900
13 Refunds, awards, and indemnities	224		
15 Taxes and assessments	13,745	8,700	8,700
Total obligations	2,074,980	2,250,000	2,250,000

Public enterprise funds:

Farm Labor Supply Revolving Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities (obligations):			
Expense	$3,344,720	$3,684,000	$4,654,600
Equipment acquired	15,478	16,000	16,000
Total program (obligations)	3,360,198	3,700,000	4,670,600
Financing:			
Revenue	3,111,448	3,632,250	5,684,400
Unobligated balance brought forward	620,006	371,256	303,506
Total amounts available	3,731,454	4,003,506	5,987,906
Unobligated balance carried forward	−371,256	−303,506	−1,317,306
Financing applied to program	3,360,198	3,700,000	4,670,600

Fees for each worker contracted are paid by agricultural employers into this fund. These fees are used to meet transportation and subsistence costs and other expenses directly involved in importing Mexican farmworkers (7 U. S. C. 1461–1468). On January 1, 1958, the fee for initially contracting a worker was established at $10, increased from $7, and the fee for recontracting a

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worker was set at $5, instead of $4. During 1959, the fees will be increased to $12 and $6, respectively, to cover some direct costs previously financed from the Mexican farm labor appropriation.

The act of August 9, 1955 (69 Stat. 615), extended authority for importing Mexican agricultural workers to June 30, 1959.

Budget program.—An estimated 435,000 Mexican farm workers will be imported in 1958 and 450,000 in 1959 at an average cost of $8.51 for each worker in 1958 and $10.39 in 1959; $910,600 of expenses formerly paid from salaries and expenses, Mexican farm labor program, will be charged to this fund in 1959.

Operating results and financial condition.—Receipts from operations are expected to exceed expenditures by $880,500 in 1959. Retained earnings as of June 30, 1959, are estimated to be $1,780,336.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$15,478	$16,000	$16,000
Expense	3,344,720	3,684,000	4,654,600
Increase in selected working capital		8,941	133,300
Total gross expenditures	3,360,198	3,708,941	4,803,900
Receipts from operations (funds provided):			
Revenues	3,111,448	3,632,250	5,684,400
Decrease in selected working capital	75,340		
Total receipts from operations	3,186,788	3,632,250	5,684,400
Budget expenditures	173,410	76,691	−880,500

Revenue, Expense, and Retained Earnings

Revenue	$3,111,448	$3,632,250	$5,684,400
Expense	3,360,198	3,700,000	4,670,600
Net income or loss (−) for the year	−248,750	−67,750	1,013,800
Retained earnings, beginning of year	1,083,036	834,286	766,536
Retained earnings, end of year	834,286	766,536	1,780,336

Financial Condition

Assets:			
Cash with Treasury	$911,212	$834,521	$1,715,021
Accounts receivable	50,790	20,538	20,538
Lands, structures, and equipment (net)	203,477	237,192	237,192
Supplies, etc	103,463	100,000	100,000
Advances	105,300	105,300	105,300
Total assets	1,374,242	1,297,551	2,178,051
Liabilities:			
Unpaid obligations	539,956	531,015	397,715
Government investment:			
Retained earnings	834,286	766,536	1,780,336

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$1,084,622	$911,212	$834,521	$1,715,021
Unpaid obligations	464,616	539,956	531,015	397,715
Unobligated balance	620,006	371,256	303,506	1,317,306

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF EMPLOYMENT SECURITY			
02 Travel	$1,796,660	$2,052,000	$2,083,000
03 Transportation of things	5,287	5,300	5,300
05 Rents and utility services	110,392	159,000	159,000
06 Printing and reproduction	23,284	22,200	23,000
07 Other contractual services	1,026,629	1,006,000	1,032,200
Payment to "Salaries and expenses, Mexican farm labor program"			910,600
08 Supplies and materials	34,973	33,000	35,000
09 Equipment	15,478	16,000	16,000
Total, Bureau of Employment Security	3,012,703	3,293,500	4,264,100

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
Total number of permanent positions	58	60	60
Average number of all employees	51	55	55
Number of employees at end of year	61	61	61
Average GS grade and salary	4.4 $3,786	4.4 $3,811	4.4 $3,811
01 Personal services:			
Permanent positions	$235,051	$266,300	$266,300
Other personal services	19,360	20,100	20,100
Total personal services	254,411	286,400	286,400
02 Travel	13,392	15,000	15,000
03 Transportation of things	5,316	5,700	5,700
04 Communication services	2,045	2,900	2,900
05 Rents and utility services	2,540	2,600	2,600
06 Printing and reproduction	60		
07 Other contractual services	11,700	12,900	12,900
08 Supplies and materials	42,124	45,900	45,900
09 Equipment	13,550	19,800	19,800
11 Grants, subsidies, and contributions		13,300	13,300
13 Refunds, awards, and indemnities	325		
15 Taxes and assessments	2,032	2,000	2,000
Total, Public Health Service	347,495	406,500	406,500
Total obligations	3,360,198	3,700,000	4,670,600

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Hungarian refugee relief program: International Cooperation Administration	$59,100		
2. Occupational study of science, engineering, and other technicians: National Science Foundation	3,200	$66,800	
3. Miscellaneous services to other agencies	10,897	34,500	
Total obligations	73,197	101,300	
Financing:			
Advances and reimbursements from other accounts	73,197	101,300	

Object Classification

Total number of permanent positions		8	
Full-time equivalent of all other positions	9	8	
Average number of all employees	9	16	
Number of employees at end of year	1	8	
Average GS grade and salary		8.8 $5,813	
01 Personal services:			
Permanent positions		$45,100	
Positions other than permanent	$45,036	46,500	
Other personal services	6,459	300	
Total personal services	51,495	91,900	
02 Travel	18,308		
04 Communication services	1,550		
06 Printing and reproduction	1,300		
07 Other contractual services		3,800	
11 Grants, subsidies, and contributions		5,500	
15 Taxes and assessments	544	100	
Total obligations	73,197	101,300	

Proposed for later transmission:

Grants to States for Unemployment Compensation and Employment Service Administration

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Unemployment compensation		$27,153,000	
4. Veterans unemployment compensation		759,000	
5. Unemployment compensation for Federal employees		1,088,000	
Total obligations		29,000,000	
Financing:			
Proposed supplemental appropriation		29,000,000	

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BUREAU OF EMPLOYMENT SECURITY—Continued

Proposed for later transmission—Continued

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION—Continued

Under existing legislation, 1958.—A supplemental appropriation is anticipated to cover the costs of processing the increased number of unemployment claims.

UNEMPLOYMENT COMPENSATION FOR VETERANS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Unemployment compensation payments (total obligations)		$8,000,000	
Financing:			
Proposed supplemental appropriation		8,000,000	

Under existing legislation, 1958.—This proposed supplemental appropriation is anticipated to enable unemployment compensation to be paid to Korean veterans for the full year. Benefit payments are now being made at a rate which exceeds the rate expected at the time the appropriation was approved by Congress.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Unemployment compensation payments (total obligations)		$14,500,000	
Financing:			
Proposed supplemental appropriation		14,500,000	

Under existing legislation, 1958.—This proposed supplemental appropriation is anticipated to permit benefit payments to former Federal employees for a full year. These payments are being made at a rate exceeding that anticipated when the 1958 appropriation was provided.

BUREAU OF EMPLOYEES' COMPENSATION

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary administrative expenses and not to exceed [$113,400] *$99,000* for the Employees' Compensation Appeals Board, [$2,838,000] *$2,810,600*, together with not to exceed $47,400 to be derived from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U. S. C. 906). *(5 U. S. C. 751–800; 33 U. S. C. 901–950; 42 U. S. C. 1651–1659, 1701–1717; Reorganization Plan No. 2 of 1946, 60 Stat. 1095; Reorganization Plan No. 19 of 1950, 64 Stat. 1271; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$2,838,000** Estimate 1959, **$2,810,600**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Disposition of compensation claims:			
(*a*) Federal employees	$1,523,301	$1,856,640	$1,761,860
(*b*) Longshoremen and harbor workers	597,401	642,460	723,750
(*c*) Executive direction and management services	132,278	143,500	143,810
(*d*) Administration of War Claims Act	78,500	82,000	82,180

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. Appeals from determination of Federal employee claims	$119,982	$113,400	$99,000
3. Administration of longshoremen's rehabilitation program	19,071	47,400	47,400
Total obligations	2,470,533	2,885,400	2,858,000
Financing:			
Comparative transfers from other accounts	−26,900		
Advances and reimbursements from non-Federal sources (50 U. S. C. App. 2012 and 33 U. S. C. 906)	−97,571	−47,400	−47,400
Unobligated balance no longer available	938		
Appropriation (new obligational authority)	2,347,000	2,838,000	2,810,600

The Bureau administers the Federal Employees' Compensation Act, the Longshoremen's and Harbor Workers, Act, the Defense Bases Act, the War Risk Hazards Act, certain provisions of the War Claims Act, and section 4 (c) of the Outer Continental Shelf Lands Act.

Administration of the District of Columbia Compensation Act is financed through a working fund advanced by the District of Columbia government.

1. *Disposition of compensation claims.*—Workloads are related to the volume of covered employment and the servicing of cases originating in prior years.

(*a*) Federal employment is estimated at 2,337,000 for 1959; on June 30, 1957, cases from prior years requiring further action numbered 40,509; the backlog in investigations was 236 cases.

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
New injuries reported	98,094	98,000	98,000
Reopened cases	16,775	16,700	16,700
Total	114,869	114,700	114,700
Investigations made	1,503	1,700	1,700
Open cases, end of year:			
Receiving payment	18,770	18,800	18,800
Needing further development	21,739	21,200	21,200

(*b*) *Longshoremen and harbor workers.*—In addition to adjudication of claims presented to employers or their insurance carriers, hearings and conferences are held for the purpose of determining the rights of interested parties.

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
New injuries reported	85,558	89,000	93,000
Formal hearings	368	425	435
Informal conferences	38,034	39,500	41,300

(*d*) *Administration of War Claims Act.*—Claims are adjudicated and payments are made to certain wartime employees of Government contractors with the United States and to certain American citizens who were captured by the Japanese. During 1957, costs were reimbursed from the war claims fund, but in 1958 and 1959 are incorporated in the annual appropriation (68 Stat. 103 (b)).

2. *Appeals from determination of Federal employee claims.*—The Employees' Compensation Appeals Board hears and decides appeals from decisions of the Director of the Bureau.

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Pending cases, start of year	170	152	150
Appeals docketed	322	360	360
Appeals closed	340	362	362
Pending cases, end of year	152	150	148
Hearings held	101	120	120
Opinions issued	223	275	275

3. *Administration of longshoremen's rehabilitation program.*—The Bureau provides vocational rehabilitation services to permanently injured employees where such services are not available otherwise, financed by payment from a trust fund.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	443	462	476
Average number of all employees	420	450	464
Number of employees at end of year	422	452	465
Average GS grade and salary	6.0 $4,834	6.2 $4,831	6.2 $4,816
01 Personal services:			
Permanent positions	$2,030,713	$2,171,821	$2,232,991
Other personal services	118,232	122,559	123,419
Total personal services	2,148,945	2,294,380	2,356,410
02 Travel	99,519	118,400	117,200
03 Transportation of things	3,771	18,100	6,200
04 Communication services	42,941	42,900	43,700
05 Rents and utility services	2,160	66,000	2,800
06 Printing and reproduction	20,837	39,050	30,050
07 Other contractual services	55,747	42,775	43,275
Services performed by other agencies	60,708	71,815	71,815
08 Supplies and materials	17,400	19,830	20,630
09 Equipment	16,529	34,400	18,900
11 Grants, subsidies, and contributions		136,250	145,520
13 Refunds, awards, and indemnities	375		
15 Taxes and assessments	1,601	1,500	1,500
Total obligations	2,470,533	2,885,400	2,858,000

Employees' Compensation Fund

(Indefinite)

[Employees' compensation fund:] For the payment of compensation and other benefits and expenses (except administrative expenses) authorized by law and accruing during the current or any prior fiscal year, including payments to other Federal agencies for medical and hospital services pursuant to agreement approved by the Bureau of Employees' Compensation; continuation of payment of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the advancement of costs for enforcement of recoveries in third-party cases; the furnishing of medical and hospital services and supplies, treatment, and funeral and burial expenses, including transportation and other expenses incidental to such services, treatment, and burial, for such enrollees of the Civilian Conservation Corps as were certified by the Director of such Corps as receiving hospital services and treatment at Government expense on June 30, 1943, and who are not otherwise entitled thereto as civilian employees of the United States, and the limitations and authority of the Act of September 7, 1916, as amended (5 U. S. C. 796), shall apply in providing such services, treatment, and expenses in such cases and for payments pursuant to sections 4 (c) and 5 (f) of the War Claims Act of 1948 (50 U. S. C., app. 2012); such amount as may be required during the current fiscal year. *(5 U. S. C. 785; 42 U. S. C. 1701; 50 U. S. C. 2001-3013; Department of Labor Appropriation Act, 1958.)*

Appropriated (est.) 1958, **$57,600,000** Estimate 1959, **$57,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Benefits for Federal civilian employees	$36,777,805	$37,850,000	$37,850,000
2. Benefits for reservists of the Armed Forces	16,964,549	17,500,000	17,000,000
3. Benefits for members of Civil Air Patrol	26,826	50,000	72,000
4. Benefits for employees on Federal relief work projects	676,323	640,000	620,000
5. War connected benefits for employees of Government contractors	126,552	110,000	100,000
6. Civilian war benefits	35,239	30,000	25,000
7. Benefits under War Claims Act	1,485,119	1,420,000	1,333,000
Total obligations	56,092,413	57,600,000	57,000,000
Financing:			
Advances and reimbursements from non-Federal sources (50 U. S. C. App. 2012)	−1,332,000		
Appropriation (new obligational authority)	54,760,413	57,600,000	57,000,000

Benefits are paid to civil employees of the Government disabled in the performance of duty or to their dependents, to dependents of certain reservists in the Armed Forces who died while on active duty with the Armed Forces or while engaged in authorized training in time of peace, members of the Civil Air Patrol as authorized by the act of August 3, 1956, and to others by various extensions of the Federal Employees' Compensation Act.

For 1957 the appropriation was supplemented by reimbursements from the war claims fund for payment of claims covering employees of Government contractors and American civilians who were captured by the Japanese. For 1958 and 1959 funds for these costs are incorporated in the annual appropriation.

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
Long-term cases compensated	18,770	18,800	18,800
New injuries reported	98,094	98,000	98,000
Number of payments	387,578	395,000	394,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$56,092,413	$57,600,000	$57,000,000

BUREAU OF LABOR STATISTICS

Current authorizations:

Salaries and Expenses

[Salaries and expenses:] For expenses necessary for the work of the Bureau of Labor Statistics, including advances or reimbursement to State, Federal, and local agencies and their employees for services rendered, and not to exceed $15,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), [$7,200,000] *$7,572,000. (29 U. S. C. 2, 7, 181; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$7,200,000** Estimate 1959, **$7,572,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Collection, analysis, and publication of labor and economic statistics:			
(a) Manpower and employment	$2,461,962	$2,491,896	$2,670,409
(b) Prices and cost of living	1,357,143	1,375,169	1,477,698
(c) Wages and industrial relations	1,147,392	1,077,815	1,079,756
(d) Housing and public construction	370,202	386,912	387,558
(e) Measurement of productivity	252,191	241,261	326,755
(f) Industrial hazards	209,301	229,273	229,677
(g) Foreign labor conditions	93,339	97,275	97,484
2. Central administrative services	673,326	737,509	738,593
3. Executive direction and program coordination	489,728	562,890	564,070
Total obligations	7,054,584	7,200,000	7,572,000
Financing:			
Comparative transfers from (−) other accounts	−180,300		
Unobligated balance no longer available	716		
New obligational authority	6,875,000	7,200,000	7,572,000
New obligational authority:			
Appropriation	$6,887,000	$7,200,000	$7,572,000
Transferred to "Salaries and expenses," Office of the Secretary (71 Stat. 181)	−12,000		
Appropriation (adjusted)	6,875,000	7,200,000	7,572,000

(*a*) *Manpower and employment.*—The Bureau analyzes the level and trend of nonagricultural employment, hours, earnings, and labor turnover; publishes the Occupational Outlook Handbook, and estimates manpower requirements and supply, and long-range employment and labor force trends.

(*b*) *Prices and cost of living.*—Publication of the Consumer Price Index for the urban wage earner and lower salaried clerical workers of the United States, for the

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BUREAU OF LABOR STATISTICS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Nation and for 46 selected cities. Trends of primary market prices are published for 2,000 industrial and agricultural products. The Consumer Price Index is incorporated in labor-management contracts for wage-determining purposes, and indexes of primary market prices are used in escalating costs for commercial contracts. In 1959, attention will be given to providing price information necessary for improving the national economic accounts.

(*c*) *Wages and industrial relations.*—In this activity information is provided on wages by occupation for about 18 major industrial centers, and for about 10 selected major industries; monthly developments in industrial relations and wages for key collective bargaining situations; provisions of labor-management contracts; and work stoppages.

(*d*) *Housing and public construction.*—These statistics provide an essential component of the national income series, and through volume and expenditure data, a sensitive economic indicator. Comprehensive current information on the volume of new housing is published.

(*e*) *Measurement of productivity.*—This work consists of the preparation of annual indexes of output per man-hour, the analysis of productivity trends, and studies of automation and other technological developments. Recently emphasis is being placed on the study of adjustments to automation worked out between workers and management at the plant level. In 1959, increased emphasis will be given to providing productivity indexes for individual industries.

(*f*) *Industrial hazards.*—The Bureau provides quarterly and annual information on industrial injuries, and detailed analyses of the causes of injuries for selected industries. These constitute comprehensive and reliable basic data for industrial safety programs, both public and private. Special emphasis is placed on the development of a more extensive State-Federal program of injury statistics.

(*g*) *Foreign labor conditions.*—Summary information on labor in foreign countries is made available. This includes data on employment, wages, labor law, living costs, and current labor developments generally. Current emphasis is being placed on more adequate wage statistics.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,010	953	1,011
Full-time equivalent of all other positions	54	40	40
Average number of all employees	1,016	977	1,033
Number of employees at end of year	1,200	1,151	1,207
Average GS grade and salary	6.8 $5,268	7.0 $5,410	7.1 $5,390
01 Personal services:			
Permanent positions	$5,049,720	$5,058,206	$5,346,423
Positions other than permanent	175,876	133,122	133,122
Other personal services	73,653	49,328	50,437
Total personal services	5,299,249	5,240,656	5,529,982
02 Travel	320,737	283,200	305,124
03 Transportation of things	7,060	9,000	9,000
04 Communication services	194,118	192,900	195,735
05 Rents and utility services	91,145	114,000	115,500
06 Printing and reproduction	158,580	130,500	150,964
07 Other contractual services	658,716	643,733	644,623
Services performed by other agencies	202,794	173,711	173,711
08 Supplies and materials	80,721	73,000	77,253
09 Equipment	34,502	25,000	25,000
11 Grants, subsidies, and contributions		307,000	337,808
13 Refunds, awards, and indemnities	1,325	1,500	1,500
15 Taxes and assessments	5,637	5,800	5,800
Total obligations	7,054,584	7,200,000	7,572,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Special economic and statistical studies:			
Atomic Energy Commission	$8,065	$4,450	
Department of Agriculture	18,176	30,800	
Department of Labor:			
Wage and Hour Division	245,475	325,000	
Women's Bureau	16,276		
Department of the Navy	20,100	21,300	
Housing and Home Finance Agency	5,700	10,500	
Department of Commerce: Maritime activities		100,000	
National Science Foundation	40,792	74,000	
Office of Public Works Planning	8,350	8,750	
Veterans Administration	10,000	10,600	
2. Mechanical tabulating services:			
Department of Labor:			
Bureau of Apprenticeship	19,350	10,000	
Bureau of Employees' Compensation	14,900	17,200	
Wage and Hour Division	6,400	11,600	
3. Miscellaneous services	82,069	84,500	
Total obligations	495,653	708,700	
Financing:			
Unobligated balance brought forward	13,978		
Advances and reimbursements from—			
Other accounts	464,970	683,700	
Non-Federal sources	21,239	25,000	
Recovery of prior year obligations	3,174		
Unobligated balance no longer available	−7,708		
Total financing	495,653	708,700	

NOTE.—Reimbursements from non-Federal sources are for furnishing statistical data to States, municipalities, labor organizations, private industry, and individuals as authorized in 29 U. S. C. 9.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	84	125	
Number of employees at end of year	82	108	
01 Personal services:			
Positions other than permanent	$356,061	$555,933	
Other personal services	6,326	7,400	
Total personal services	362,387	563,333	
02 Travel	69,689	55,950	
03 Transportation of things	21		
04 Communication services	3,439	5,357	
05 Rents and utility services	32,036	27,055	
06 Printing and reproduction	9,623	7,426	
07 Other contractual services	5,293	1,848	
08 Supplies and materials	5,631	8,104	
09 Equipment	5,830	4,000	
11 Grants, subsidies, and contributions		34,510	
13 Refunds, awards, and indemnities	25		
15 Taxes and assessments	1,679	1,117	
Total obligations	495,653	708,700	

WOMEN'S BUREAU

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for the work of the Women's Bureau, as authorized by the Act of June 5, 1920 (29 U. S. C. 11–16), including purchase of reports and material for informational exhibits, $462,000. (*Department of Labor Appropriation Act, 1958.*)

Appropriated 1958, **$462,000** Estimate 1959, **$462,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Development of programs and materials to improve women's employment opportunities and economic status	$163,100	$165,100	$165,100
2. Advisory services on legislation affecting women workers	64,473	69,825	69,825

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
3. Executive direction and program coordination	$108,686	$102,225	$102,225
4. Administrative services and management	72,350	124,850	124,850
Total obligations	408,609	462,000	462,000
Financing:			
Comparative transfers from (−) other accounts	−8,200		
Unobligated balance no longer available	2,591		
Appropriation (new obligational authority)	403,000	462,000	462,000

1. *Development of programs and materials to improve women's employment opportunities and economic status.*—In 1957 the 22 million women in the labor force comprised one-third of the total labor force. In 1959, cooperating with other bureaus of the Department and outside organizations, the Bureau will emphasize employment opportunities for women in social work and in the manufacture of electronics equipment, the compilation of information on vocational training opportunities available to young women, a study of the part-time employment of women, and programs to increase the employment opportunities of older women, and to alleviate shortages of nurses, teachers, and clerical workers.

2. *Advisory services on legislation affecting women workers.*—State minimum-wage laws and orders, equal pay for comparable work, standards for hours of work and working conditions, and laws affecting women's civil and political status comprise the subject areas in which the Bureau regularly supplies technical advice and information to States and other interested parties. The 1959 program includes assistance on programs to promote the equal-pay principle, the revision of State minimum wage orders, and study of child care facilities for working mothers.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	56	61	61
Full-time equivalent of all other positions	3	1	1
Average number of all employees	52	60	60
Number of employees at end of year	58	61	61
Average GS grade and salary	8.2 $5,890	8.3 $5,972	8.3 $5,972
01 Personal services:			
Permanent positions	$309,079	$357,000	$357,000
Positions other than permanent	13,469	4,300	4,300
Other personal services		1,400	1,400
Total personal services	322,548	362,700	362,700
02 Travel	12,876	25,000	24,250
03 Transportation of things	387	1,425	1,425
04 Communication services	8,778	10,145	10,145
06 Printing and reproduction	20,533	17,600	17,600
07 Other contractual services	2,644	2,350	2,350
Services performed by other agencies	37,074	18,380	18,380
08 Supplies and materials	954	500	500
09 Equipment	2,220	2,300	2,300
11 Grants, subsidies, and contributions		21,000	21,750
15 Taxes and assessments	595	600	600
Total obligations	408,609	462,000	462,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Executive direction and program coordination (total obligations)	$1,112		
Financing:			
Advances and reimbursements from other accounts	1,112		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Number of employees at end of year	0		
01 Personal services: Other than permanent (total obligations)	$1,112		

WAGE AND HOUR DIVISION

SALARIES AND EXPENSES

[Salaries and expenses:] For expenses necessary for performing the duties imposed by the Fair Labor Standards Act of 1938, as amended, and the Act to provide conditions for the purchase of supplies and the making of contracts by the United States, approved June 30, 1936, as amended (41 U. S. C. 35–45), including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, and not to exceed $3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division, [$10,600,000] *$10,500,000. (29 U. S. C. 201–219, 251–262; 71 Stat. 514; Department of Labor Appropriation Act, 1958.)*

Appropriated 1958, **$10,600,000** Estimate 1959, **$10,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Promotion of compliance and enforcement	$8,054,030	$8,380,400	$8,384,900
2. Wage standards and determinations	611,364	717,500	710,600
3. Regulations and interpretations	120,853	137,800	138,100
4. Economic analysis and statistics	511,885	545,400	446,100
5. Executive direction and management	216,873	220,300	220,800
6. Central administrative services	545,521	598,600	599,500
Total obligations	10,060,526	10,600,000	10,500,000
Financing:			
Comparative transfers from (−) other accounts	−75,300		
Unobligated balance no longer available	2,774		
New obligational authority	9,988,000	10,600,000	10,500,000
New obligational authority:			
Appropriation	$10,000,000	$10,600,000	$10,500,000
Transferred to "Salaries and expenses," Office of the Secretary (71 Stat. 187)	−12,000		
Appropriation (adjusted)	9,988,000	10,600,000	10,500,000

The Division obtains compliance with minimum standards respecting wages, hours, and other employment conditions in industries engaged in interstate commerce and in establishments furnishing goods to the Government.

1. *Promotion of compliance and enforcement.*—Information media are used to inform employers and employees of their rights and responsibilities under the law, with planned emphasis on developing new ways and new approaches to educate both groups. Investigations are made to correct violations and to assist employers in meeting legal requirements and workers in recovering wages due. During 1957 a total of 48,482 establishments were investigated and 181,910 employees were found to be due wages in the amount of $18,834,134, of which employers have agreed to pay $9,211,286. The investigation program will continue at about the same level in 1958 and 1959 with a slight decrease in the present staff.

2. *Wage standards and determinations.*—During 1958 and 1959 a total of 11 industry committees will be convened to recommend minimum wage rates under the Fair Labor Standards Act in Puerto Rico, the Virgin Islands, and American Samoa in conformance with existing law requiring review of all minimum wage rates on these islands not less than once each year. Regulations governing subminimum wages for learners, apprentices, messen-

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WAGE AND HOUR DIVISION—Continued

SALARIES AND EXPENSES—Continued

gers, and handicapped workers are being constantly reexamined. It is estimated that 1,800 applications for subminimum wage certificates will be received in 1959, as compared to 2,300 in 1958. Wage determinations under the Walsh-Healey Act will be continued at the level of seven determinations in 1959.

3. *Regulations and interpretations.*—Regulations and interpretations are prepared to give effect to the Fair Labor Standards Act. Emphasis will be directed to development and revision of issuances affected by amendments to the act and changes in industry practices.

4. *Economic analysis and statistics.*—Economic research and analysis and development of statistical data, necessary in the consideration of administrative problems and legislative proposals, is provided. A minimum wage effects study is required by law to evaluate the present minimum wage and to determine the ability of employers to absorb wage increases. It will be completed in 1958 and the final report will be ready in 1959. Further studies will be conducted in 1959 to provide data for reports to the Congress.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,535	1,439	1,397
Full-time equivalent of all other positions	8	8	8
Average number of all employees	1,463	1,406	1,365
Number of employees at end of year	1,440	1,375	1,357
Average GS grade and salary	7.7 $5,586	8.5 $5,747	8.9 $5,914
01 Personal services:			
Permanent positions	$7,993,235	$8,049,000	$8,041,500
Positions other than permanent	77,255	76,800	76,800
Other personal services	63,092	81,400	81,400
Total personal services	8,133,582	8,207,200	8,199,700
02 Travel	925,517	930,000	918,000
03 Transportation of things	50,717	27,000	27,000
04 Communication services	140,067	123,000	123,000
05 Rents and utility services	39,387	25,000	25,000
06 Printing and reproduction	32,866	54,000	54,000
07 Other contractual services	165,765	167,000	167,000
Services performed by other agencies	486,122	520,900	420,900
08 Supplies and materials	$35,988	$30,000	$30,000
09 Equipment	40,694	15,000	15,000
11 Grants, subsidies, and contributions		498,500	518,000
13 Refunds, awards, and indemnities	7,500		
15 Taxes and assessments	2,321	2,400	2,400
Total obligations	10,060,526	10,600,000	10,500,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Promotion of compliance and enforcement: Department of Labor, Office of the Solicitor (total obligations)	$43,000	$45,300	$45,300
Financing:			
Advances and reimbursements from other accounts	43,000	45,300	45,300

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	7	7	7
Average number of all employees	7	7	7
Number of employees at end of year	7	7	7
Average GS grade and salary	9.0 $5,575	9.0 $5,575	9.0 $5,575
01 Personal services: Permanent positions	$38,600	$38,600	$38,600
02 Travel	4,400	4,400	4,400
11 Grants, subsidies, and contributions		2,300	2,300
Total obligations	43,000	45,300	45,300

GENERAL PROVISIONS

SEC. 102. Appropriations under this title available for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and for expenses of attendance at meetings concerned with the function or activity for which any such appropriation is made.

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF LABOR

Appropriation	Motor vehicles to be purchased: Number	Motor vehicles to be purchased: Gross cost	Old vehicles to be exchanged: Number	Old vehicles to be exchanged: Allowance (estimate)	Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
OFFICE OF THE SECRETARY								
Salaries and expenses						2	$860	Secretary, undersecretary, and assistant secretaries: Transportation to and from official meetings and conferences in Washington, D. C., with Members of Congress and other Government officials.
Station wagon							420	To provide transportation between buildings which house 50% of the District of Columbia employees of the Department.
Total, Department of Labor						2	1,280	

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POST OFFICE DEPARTMENT

The postal service is presently financed only in part from postal revenues. Expenditures for the postal service are specifically limited by the Congress in appropriation acts. Any operating deficit of the postal fund is made up by an appropriation from the general fund of the Treasury. For 1959, under present legislation, about 80% of the funds necessary for operation of the Department would come from users of the postal service, and the remainder would be a charge to the taxpayer.

Proposed for later transmission.—The budget estimates for 1959 include the effect of (1) proposed legislation to raise postal rates to provide an estimated increase in annual revenue of $700 million, (2) a supplemental appropriation request of approximately $25 million to pay increased rates for rail transportation which are now pending before the Interstate Commerce Commission, and (3) the estimated cost of proposed adjustments in pay for postal employees of $160 million. The postal pay adjustments are not reflected in the estimates shown for the Post Office Department, but are included in the general allowance for proposed legislation in the budget along with the proposed pay raise for other nondefense civilian employees.

Mail volume.—The budget contemplates that mail volume for 1959 will increase 3.4% over 1958, reaching a total of 63.5 billion pieces of mail. This total includes over 34 billion first-class letters, 1.7 billion airmail items, 7.2 billion magazines and newspapers, 16.8 billion pieces of advertising and circular matter, 1.2 billion packages, and 2.6 billion pieces in various other categories.

Obligations.—On the basis of the above estimates of mail volume, obligations under existing legislation, excluding rail rate increases, are estimated to be $3,421 million for 1959, compared with $3,325 million estimated for 1958, and $3,018 million in 1957. Most of the increase in obligations arises from (1) the continuing increase in workload caused by the Nation's economic growth, and (2) the contributions paid by the Post Office Department to the civil-service retirement fund, effective July 13, 1957, which amount to an estimated $128 million for 1958 and $138 million for 1959.

The average operating cost per million pieces of mail is estimated to be about $54,000 in 1959 compared with $51,000 in 1957. This increase results almost entirely from the contribution now required to be made to the civil-service retirement fund, and added expenditures for capital and research. Other rising costs will be largely offset by increased efficiency.

Revenues.—Under existing laws, postal revenues in 1959 are estimated to reach $2,745 million, an increase of $116 million or 4.4% over 1958 and 9.9% over 1957. Among the major categories of mail, the sharpest relative increases are estimated in domestic airmail and parcel-post revenues. The higher estimate of receipts from domestic airmail results from increased volume. The higher estimate for parcel post reflects proposed rate increases which, if approved by the Interstate Commerce Commission, will result in increased revenue of $40 million in 1959. Rates on other major categories of mail, however, are set by statute and can be changed only by congressional action.

Postal deficit.—The postal deficit is the difference between postal obligations and postal revenues. For 1957 it was $522 million, and is estimated to be $696 million and $676 million for 1958 and 1959, respectively, under existing legislation. After taking into account the lag between obligations and expenditures, the net budget expenditures for the postal service (the difference between checks issued and revenues) are estimated to be $686 million in 1958 and $659 million in 1959. These estimates, like those shown in the following table, do not reflect the President's legislative proposals to increase postal rates and pay of postal employees or the proposed supplemental appropriation request for pending rail-rate increases.

[Dollars in millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Obligations	$3,018	$3,325	$3,421
Increase over prior year	4.7%	10.2%	2.9%
Postal revenue	$2,497	$2,629	$2,745
Increase over prior year	3.2%	5.3%	4.4%
Postal (operating) deficit	$522	$696	$676
Adjustment in working capital	−$4	−$10	−$17
Budget expenditures	$518	$686	$659

At the levels of mail volume anticipated in 1959, the deficit will involve an average loss of $10,600 per million pieces of mail. If the additional costs arising from civil-service retirement contributions and from increased capital and research programs are excluded for comparability, however, the average deficiency would be $8,000 per million pieces, which is less than the comparable 1957 level of $8,800.

Deposit funds.—Money order and postal savings funds entrusted to the postal service by the public are accounted for separately as deposit funds, and are, therefore, excluded from the budgetary tables.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Commerce and housing:						
514 Postal service	$524,340	$696,000	$1,121	$517,536	$686,154	−$15,859
Allowance for proposed legislation and contingencies: Postal pay adjustment			160,000			160,000

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Estimated volume of mail and special services, and postal revenue

[Estimated as of Nov. 29, 1957]

Classification	1957 actual				1958 estimate				1959 estimate			
	Pieces or transactions	Revenue	Percent of increase over 1956		Pieces or transactions	Revenue	Percent of increase over 1957		Pieces or transactions	Revenue	Percent of increase over 1958	
			Units	Revenue			Units	Revenue			Units	Revenue
Domestic mail:	*Millions*	*Millions*			*Millions*	*Millions*			*Millions*	*Millions*		
First class	31,561	$1,062	4.93	5.15	32,730	$1,101	3.67	3.70	34,113	$1,146	4.23	4.07
Air mail	1,483	139	−.26	1.81	1,576	150	6.25	7.25	1,676	164	6.35	9.59
Second class	6,888	66	.40	.83	7,000	67	1.62	1.70	7,200	70	2.86	4.05
Controlled circulation publications	125	7	22.87	17.89	150	8	19.52	15.29	175	9	16.67	13.33
Third class	15,703	280	6.99	5.78	16,581	296	5.59	5.73	16,831	300	1.51	1.34
Fourth class	1,184	583	.90	−1.15	1,210	596	2.22	2.22	1,243	613	2.73	2.73
Domestic mail fees		7		8.37		7		5.80		7		4.29
Penalty and official mail	1,510	38	6.93	17.25	1,538	39	1.87	2.84	1,600	41	4.03	4.86
Franked	61	2	.41	.24	63	2	3.55	3.32	65	2	3.17	6.98
Free for the blind	4		14.75		4		7.91		5		3.45	
Total domestic mail revenue	58,519	2,184	4.67	3.35	60,852	2,266	3.99	3.76	62,908	2,352	3.38	3.77
Add proposed rate increase, fourth class mail						20				40		
Total domestic mail revenue adjusted	58,519	2,184	4.67	3.35	60,852	2,286	3.99	4.67	62,908	2,392	3.38	4.61
International mail:												
Surface mail	370	40	3.86	7.52	395	42	6.99	3.66	417	43	5.48	3.40
Air mail	189	41	6.17	5.47	194	44	2.57	7.36	206	47	5.88	8.06
Mail transit revenue		9		5.43		9		5.45		10		2.08
Total international mail (originating)	559	90	4.63	6.38	589	95	5.50	5.51	623	100	5.62	5.40
Total mail volume and revenue from mail	59,078	2,274	4.67	3.46	61,441	2,382	4.00	4.71	63,530	2,492	3.40	4.65
Special services	774	201	−2.75	.45	775	222	.12	10.31	775	228		2.71
Box rents		27		2.97		28		6.24		29		2.18
Unassignable revenue		9		7.50		12		39.58		11		−10.42
Total gross postal revenue		2,511		3.15		2,644		5.29		2,760		4.39
Deduct nonbudget expenditures:												
Stamped-embossed envelopes purchased		7		−21.48		8		19.58		8		
Postage refunds		2		70.29		1		−42.30		1		−15.39
Indemnities, judgments, losses, and chargeoffs		6		2.16		6		3.07		6		3.64
Total nonbudget expenditures		15		−4.09		15		3.82		15		
Total net postal revenue		2,496		3.19		2,629		5.30		2,745		4.41
Add reimbursements		16		−.61		17		5.18		18		9.34
Total net postal income		2,512		3.17		2,646		5.30		2,763		4.44

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

Account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Public enterprise funds:							
Postal fund	514				$517,536,448	$686,153,676	$659,141,000
Contribution to the postal fund (current indefinite appropriation)	514	$524,340,000	$696,000,000	$676,121,000			
Proposed for later transmission:							
Under existing legislation: Railroad rate increases	514			25,000,000			25,000,000
Under proposed legislation: Postal rate increase	514			−700,000,000			−700,000,000
Total new obligational authority and budget expenditures		524,340,000	696,000,000	1,121,000	517,536,448	686,153,676	−15,859,000
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$524,340,000	$696,000,000	$676,121,000	$524,340,000	$696,000,000	$676,121,000
Revolving and management funds:							
Public enterprise funds					−6,803,552	−9,846,324	−16,980,000
Proposed for later transmission:							
Appropriations				−675,000,000			−675,000,000
Total new obligational authority and budget expenditures		524,340,000	696,000,000	1,121,000	517,536,448	686,153,676	−15,859,000

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
Postal fund:										
Enacted or recommended	514	$3,048,310	$3,356,360	$3,454,306	$2,530,774	$2,670,206	$2,795,165	$517,536	$686,154	$659,141
Proposed for later transmission (under existing and proposed legislation)	514			25,000			700,000			−675,000
Total, public enterprise funds		3,048,310	3,356,360	3,479,306	2,530,774	2,670,206	3,495,165	517,536	686,154	−15,859

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ANALYSIS OF UNEXPENDED BALANCES

BY ACCOUNT TITLE

[In thousands]

Account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
Public enterprise funds:											
Postal fund	$22,190	$213,769	$17,240	$212,735	$14,240	$219,310	$676,121	$676,121	−$16,980	$9,403	[1]$231,453
Proposed for later transmission:											
Appropriations							−675,000	−675,000			
Total, Post Office Department	22,190	213,769	17,240	212,735	14,240	219,310	1,121	1,121	−16,980	9,403	231,453
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations							$676,121	$676,121			
Revolving and management funds: Public enterprise funds	$22,190	$213,769	$17,240	$212,735	$14,240	$219,310			−$16,980	$9,403	[1]$231,453
Proposed for later transmission:											
Appropriations							−675,000	−675,000			
Total, Post Office Department	22,190	213,769	17,240	212,735	14,240	219,310	1,121	1,121	−16,980	9,403	231,453

[1] Excludes balance no longer available (repayment to Treasury) in 1959 of $4,837 thousand.

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Revolving and management funds	$213,769	$212,735	$219,310
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	524,340	696,000	676,121
Proposed for later transmission: Appropriations			−675,000
Total new obligational authority	524,340	696,000	1,121
Total budget authorizations available	738,109	908,735	220,431
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	517,536	686,154	676,121
Out of balances of prior obligational authority			−16,980
Total expenditures from obligational authority enacted or recommended	517,536	686,154	659,141
From obligational authority proposed for later transmission: Out of new obligational authority			−675,000
Total budget expenditures	517,536	686,154	−15,859
Amounts no longer available: Unobligated balances expiring and lapsing	7,838	3,271	4,837
Balances carried forward at close of year from authorizations enacted or recommended in this document: Revolving and management funds	212,735	219,310	231,453
Obligations incurred, net	$521,452	$695,729	$1,121

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POSTAL FUND

Public enterprise funds:

CONTRIBUTION TO THE POSTAL FUND

(Indefinite)

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, [1958] *1959*, as authorized by law (39 U. S. C. 786, 794a), together with an amount equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely: (*Treasury-Post Office Appropriation Act, 1958.*)

Appropriated (est.) 1958, **$696,000,000**

Estimate 1959, **$676,121,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Postal operations subject to appropriation (obligations):			
1. Administration, regional operation, and research	$56,038,759	$63,769,000	$64,950,000
2. Operations	2,384,657,032	2,618,944,000	2,703,468,000
3. Transportation	448,118,928	469,981,000	476,200,000
4. Facilities	129,596,744	172,034,000	176,503,000
5. Judgments	26,541		
Total obligations	3,018,438,004	3,324,728,000	3,421,121,000
Postal operations not subject to annual appropriations:			
1. Purchase of stamp-embossed envelopes	6,690,051	8,000,000	8,000,000
2. Indemnities and claims	5,336,329	5,500,000	5,700,000
3. Refunds of postage	2,252,655	1,300,000	1,100,000
4. Judgments	168,576	200,000	200,000
Total nonbudget obligations	14,447,611	15,000,000	15,000,000
Reimbursable work for others:			
1. Administration, regional operation, and research	54,332	5,200	5,200
2. Operations	1,307,328	1,442,000	1,583,000
3. Transportation	13,466,593	13,468,000	13,468,000
4. Facilities	967,875	1,716,000	3,129,000
Total reimbursable work for others	15,796,128	16,631,200	18,185,200
Total program (obligations)	3,048,681,743	3,356,359,200	3,454,306,200
Financing:			
Amounts becoming available:			
Gross postal revenue:			
Sales of postage stamps and stamped paper	1,085,090,059	1,131,015,307	1,174,000,000
Postage paid under permit:			
Metered	1,057,058,471	1,123,399,056	1,185,000,000
Nonmetered	206,315,109	218,087,817	226,900,000
Postage from other Government agencies: Collections for mailings accepted without prepayment	45,661,608	47,109,000	48,700,000
Box rent	26,715,972	28,382,000	29,000,000
Money order fees and related revenues	63,754,721	70,775,300	71,000,000
Income from Postal Savings System	12,484,262	11,031,520	11,000,000
Miscellaneous revenue	13,981,719	14,200,000	14,400,000
Total gross postal revenue	2,511,061,921	2,644,000,000	2,760,000,000
Advances and reimbursements from—			
Federal departments and agencies:			
Department of Defense, transportation of military mail	13,466,593	13,468,000	13,468,000
Federal Communications Commission health unit	4,293	3,000	3,000
Department of the Interior, sale of migratory bird conservation stamps	139,821	134,000	134,000
Department of Justice, alien registration	210,281	239,000	248,000
Treasury Department, sale of savings bonds and stamps	652,117	675,000	801,000
Sundry departmental and agencies, communication services for agencies occupying Federal buildings operated by the Post Office Department	461,108	499,000	500,000
Other miscellaneous accounts	260,739	265,200	270,200
Total Federal departments and agencies	15,194,952	15,283,200	15,424,200
Non-Federal sources	601,176	1,348,000	2,761,000
Total advances and reimbursements	15,796,128	16,631,200	18,185,200
Total revenue and reimbursements	2,526,858,049	2,660,631,200	2,778,185,200
Operating deficit	521,823,694	695,728,000	676,121,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Unobligated balance brought forward:			
For return to the Treasury	−$15,189,957	−$10,239,806	−$7,239,806
Principal of air carriers revolving fund	−7,000,000	−7,000,000	−7,000,000
Recovery of prior year obligations	−371,083		
Balance no longer available (repayments to Treasury for unused portion of prior year appropriations)	7,837,540	3,272,000	4,837,000
Unobligated balance carried forward:			
For return to Treasury	10,239,806	7,239,806	2,402,806
Principal of air carrier revolving fund	7,000,000	7,000,000	7,000,000
Appropriation (new obligational authority)	524,340,000	696,000,000	676,121,000

Sources and Application of Funds

Gross expenditures (funds applied—obligation basis):			
Postal operations:			
Expense:			
Subject to appropriation	$2,974,955,281	$3,250,986,000	$3,347,493,000
Not subject to appropriation	14,447,611	15,000,000	15,000,000
Reimbursable work for others	15,517,746	16,270,200	17,558,200
Acquisition of assets, (capital program) subject to appropriation	43,482,723	73,742,000	73,628,000
Expenditures out of reimbursements (capital program)	278,382	361,000	627,000
Adjustment to prior year obligations	−371,083		
Total gross expenditures	3,048,310,660	3,356,359,200	3,454,306,200
Receipts from operations (funds provided):			
Gross postal revenue	2,511,061,921	2,644,000,000	2,760,000,000
Reimbursements for work for others:			
Federal departments and agencies	15,194,952	15,283,200	15,424,200
Non-Federal sources	601,176	1,348,000	2,761,000
Decrease in selected working capital	3,916,163	9,574,324	16,980,000
Total receipts from operations	2,530,774,212	2,670,205,524	2,795,165,200
Budget expenditures	517,536,448	686,153,676	659,141,000

Financial Condition

Assets:			
Cash with Treasury, commercial banks, on hand, and in transit	$212,735,482	$219,309,806	$231,452,806
Accounts receivable	46,235,616	47,000,000	47,500,000
Advances and deferred charges	5,729,820	5,730,000	5,750,000
Total assets	264,700,918	272,039,806	284,702,806
Liabilities:			
Accounts payable (obligation basis)	220,415,457	230,300,000	245,000,000
Deferred and undistributed credits	27,045,655	27,500,000	30,300,000
Total liabilities	247,461,112	257,800,000	275,300,000
Equity of U. S. Government:			
Non-interest-bearing capital:			
Start of year	15,189,957	10,239,806	7,239,806
Advances: General fund appropriation	524,340,000	696,000,000	676,121,000
Operating deficit (−)	−521,823,694	−695,728,000	−676,121,000
Adjustment of prior year obligations	371,083		
Repayments to Treasury (unused portion of prior year appropriation) (−)	−7,837,540	−3,272,000	−4,837,000
End of year	10,239,806	7,239,806	2,402,806
Revolving fund for air carrier advances	7,000,000	7,000,000	7,000,000
Total equity of U. S. Government	17,239,806	14,239,806	9,402,806

Status of Postal Fund Balance

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$213,769,470	$212,735,482	$219,309,806	$231,452,806
Obligated balance, net:				
Current liabilities (including deferred and undistributed credits)	246,006,788	247,461,112	257,800,000	275,300,000
Accounts receivable, and advances and deferred charges (−)	−54,427,275	−51,965,436	−52,730,000	−53,250,000
Total obligated balance	191,579,513	195,495,676	205,070,000	222,050,000
Unobligated balance	22,189,957	17,239,806	14,239,806	9,402,806
Distribution of unobligated balance:				
For return to the Treasury	15,189,957	10,239,806	7,239,806	2,402,806
Principal of air carrier revolving fund	7,000,000	7,000,000	7,000,000	7,000,000

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND

ADMINISTRATION, *REGIONAL OPERATION*, AND RESEARCH

For expenses, not otherwise provided for, necessary for administration of the postal service, operation of the inspection service *and regional and district offices*, uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131), and conduct of a research and development program, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); management studies; not to exceed $25,000 for miscellaneous and emergency expenses; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; expenses of delegates designated by the Postmaster General to attend meetings and congresses for the purpose of making postal arrangements with foreign governments pursuant to law, and not to exceed $15,000 of such expenses to be accounted for solely on the certificate of the Postmaster General; and not to exceed $20,000 for rewards for information and services, as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; and settlement of claims, pursuant to law, current and prior fiscal years, for damages[; $20,500,000], *and for losses resulting from unavoidable casualty; $64,950,000. (5 U. S. C. 22, 22a, 30q, 43, 61g, 73b–3, 133z–15, 150, 361, 363a, 364a, 364–1, 366, 369, 372, 388, 836–840, 901, 911–913, 921, 922, 926, 943, 944, 1003, 1006, 1010, 1011, 1111–1114, 1123, 1124, 1133, 2001, 2061–2066, 2091–2103, 2121–2123, 2131–2133, 2181–2185, 2201, 2203, 2205, 2254; 6 U. S. C. 14; 12 U. S. C. 391; 28 U. S. C. 1346, 2671, 2672, 2673, 2677; 31 U. S. C. 82a–1, 82a–2, 224c, 695, 725a; 39 U. S. C. 49, 246f, 360, 381a, 578, 711, 712, 715, 720–722, 728a, 755, 760, 768, 781, 793, 794–794f, 826, 847, 848b, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1010, 1021, 1031–1033, 1035–1038; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, [a] **$22,500,000** Estimate 1959, [b] **$64,950,000**
Appropriated (adjusted) 1958, [a] **$22,855,000**

[a] Includes $2,000,000 appropriated in Public Law 85–64, approved June 28, 1957.

[b] Includes $41,819,000 for activities transferred in the estimates from appropriations, as follows:

"Operations"	$35,906,000
"Transportation"	905,000
"Finance"	3,613,000
"Facilities"	1,395,000

The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$1,750,908	$1,808,000	$1,808,000
2. Administration of personnel	631,587	719,000	724,000
3. Legal service	1,560,505	1,819,000	1,936,000
4. Inspection and internal audit	12,413,226	13,163,000	13,589,000
5. Administration of postal operations	817,587	1,109,000	1,197,000
6. Administration of postal transportation	947,826	902,000	905,000
7. Administration of postal finance	3,413,028	3,955,000	3,613,000
8. Administration of postal facilities	1,275,287	1,390,000	1,395,000
9. Regional operation	30,289,733	33,830,000	34,709,000
10. Research and engineering	2,939,072	5,074,000	5,074,000
Total obligations	56,038,759	63,769,000	64,950,000
Financing:			
Comparative transfers from (−) other accounts	−37,274,332	−41,186,000	
Unobligated balance no longer available	154,573	272,000	
Appropriation (adjusted)	18,919,000	22,855,000	64,950,000
Appropriation adjusted:			
Appropriation	$19,000,000	$22,500,000	$64,950,000
Transferred to "Operations" (70 Stat. 96 and 71 Stat. 39)	−81,000	−535,000	
Transferred (71 Stat. 39) from—			
"Finance"		856,000	
"Facilities"		34,000	

The total amount requested under this heading for 1959 is $64,950,000, an increase of $1,181,000 compared with the cost of similar functions for 1958. No net increase in number of positions under this appropriation is requested for 1959.

1. *Executive direction.*—This activity consists of the immediate offices of the Postmaster General and Deputy Postmaster General, and headquarters office services. It also includes the philatelic promotion program (other than sales) included under the "Finance" appropriation in prior years.

2. *Administration of personnel.*—This provides for policy and functional direction of the personnel administration program affecting more than 500,000 postal employees and the personnel activities serving the headquarters staff.

3. *Legal service.*—The general counsel is legal adviser to the Postmaster General and the entire postal establishment. He is responsible for drafting proposed legislation, reports to congressional committees, and representing the Department before the Congress on legislative matters. He adjudicates and approves damage claims and certain losses claimed in postmasters' accounts. He represents the Department before regulatory agencies of Government, and in administrative proceedings under the postal fraud, lottery, and obscenity statutes. Obligations under this activity include the amount of damage claims paid.

4. *Inspection and internal audit.*—This activity is responsible for all investigative, inspection, and internal auditing functions of the Department and its field elements, pertaining to violation of the postal laws, the prevention and detection of mail loss and mistreatment, losses of Government funds and property; the audit of all postmasters' and disbursing officers' accounts and all other financial records; personnel security, civil defense, and defense mobilization programs; special and suitability investigations; and management surveys.

5. *Administration of postal operations.*—This activity covers the headquarters direction of the postal field service administered through 15 regional organizations and includes the development of policies, programs, regulations, and procedures governing such operations. In previous years funds for this activity were provided under the appropriation for "Operations."

6. *Administration of postal transportation.*—This activity covers the development of policies and programs for the transportation of mail and mail equipment and the exchange of mail with other countries and with the Territories and possessions. It administers the procurement of transportation from commercial carriers and supervises their performance. In previous years funds for this activity were provided under the appropriation for "Transportation."

7. *Administration of postal finance.*—This activity covers administration of policies and programs governing accounting, budgeting, and all other controllership functions, including the administration of the money order and postal savings systems and the postal rate research program. In previous years funds for this activity were provided under the appropriation for "Finance."

8. *Administration of postal facilities.*—This activity administers policies and programs governing the procurement, maintenance, and disposal of real property, equipment, vehicles, and supplies, including the procurement of stamps and accountable paper. It directs the operation of the supply system and exercises general procurement authority for the Department. In previous years funds for this activity were provided under the appropriations for "Facilities" and "Finance."

9. *Regional operation.*—This activity covers the direction and operation of regional and district offices. These offices are responsible for the technical direction of the

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following functions at all postal field installations: Post office operations, controllership, industrial engineering, personnel activities, transportation, real estate and motor vehicle operations. In previous years the costs of this activity were carried under the appropriation for "Operations."

10. *Research and engineering.*—An industrial research and engineering program for the postal establishment is carried on, including: (1) the design, development, and testing of postal equipment and materials; (2) the development of better work methods, production measurement standards, and manpower utilization systems; and (3) recommending general location, functional design, building modifications, developing layouts, and mechanization requirements of facilities.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	8,278	8,334	8,333
Full-time equivalent of all other positions	63	52	52
Average number of all employees	8,470	8,574	8,565
Number of employees at end of year	8,278	8,334	8,333
Average GS grade and salary	8.3 $6,266	8.6 $6,466	8.7 $6,564
Average PFS level and salary	7.7 $5,732	7.9 $5,903	7.9 $6,038
01 Personal services:			
Permanent positions	$46,941,005	$49,247,966	$50,511,295
Positions other than permanent	222,186	196,819	196,819
Other personal services	1,595,240	1,329,822	1,305,381
Total personal services	48,758,431	50,774,607	52,013,495
02 Travel	2,552,007	2,800,576	2,819,616
03 Transportation of things	84,597	95,827	103,227
04 Communication services	110,003	122,500	120,744
05 Rents and utility services	51,328	54,000	55,000
06 Printing and reproduction	69,254	71,280	71,679
07 Other contractual services	1,542,988	2,455,669	1,276,397
08 Supplies and materials	173,774	168,719	188,531
09 Equipment	1,432,062	2,749,000	3,478,000
11 Grants, subsidies, and contributions		3,036,329	3,254,753
13 Refunds, awards, and indemnities	1,249,041	1,424,018	1,552,083
15 Taxes and assessments	15,274	16,475	16,475
Total obligations	56,038,759	63,769,000	64,950,000

Operations

For expenses necessary for [the operation and administration of regional and district offices and post offices] *postal operations*, not otherwise provided for, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); for [settlement of claims, pursuant to law, current and prior fiscal years, for losses resulting from unavoidable casualty (39 U. S. C. 49)] *repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service*, and for other activities conducted by the Post Office Department pursuant to law; [$2,290,000,000] *$2,703,468,000*: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration, *regional operation*, and research", shall not be increased by more than $2,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations: *Provided further, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of Post Office Department operations. (5 U. S. C. 22a, 30q, 43, 61g, 73b–3, 133z–15, 150, 361, 369, 836–840, 2091–2103, 2121–2123, 2131–2133, 2181–2185, 2254; 6 U. S. C. 14; 10 U. S. C. appendix 371a; 31 U. S. C. 82a–1, 82a–2; 32 U. S. C. appendix 76; 39 U. S. C. 1–5, 11a, 14, 38, 64, 82, 83, 133a, 136a, 151–153, 158, 159, 161, 169, 171, 192, 212, 221, 244, 351–358, 360, 381, 475, 481, 489, 667, 672, 711, 712, 728a, 764, 794f, 802, 826, 847, 848b, 951, 952, 961–965, 971–975, 981–984, 991–994, 1001–1007, 1009, 1010, 1021, 1031–1033, 1035–1038, 1051; 71 Stat. 470; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, [a] **$2,380,000,000**
Appropriated (adjusted) 1958, [a] **$2,653,172,000**

Estimate 1959, [b] **$2,703,468,000**

[a] Includes $90,000,000 appropriated in Public Law 85–64, approved June 28, 1957.
[b] Excludes $35,906,000 for activities transferred in the estimates to "Administration, regional operation, and research," and includes $747,000 for activities transferred to the estimates from "Facilities." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administration of post office operations	$282,345,509	$310,356,000	$320,397,000
2. Mail handling and window service	911,972,881	1,000,347,000	1,031,416,000
3. Collection and delivery service	868,693,804	956,707,000	987,243,000
4. Custodial service	65,351,171	72,034,000	74,152,000
5. Mail handling in transit	191,883,681	208,000,000	212,232,000
6. Vehicle service	64,409,986	71,500,000	78,028,000
Total obligations	2,384,657,032	2,618,944,000	2,703,468,000
Financing:			
Comparative transfers from (−) or to other accounts	−225,863,971	34,228,000	
Unobligated balance no longer available	2,436,939		
Appropriation (adjusted)	2,161,230,000	2,653,172,000	2,703,468,000
Appropriation adjusted:			
Appropriation	$2,154,440,000	$2,380,000,000	$2,703,468,000
Transferred from—			
"Administration, regional operation, and research" (70 Stat. 96 and 71 Stat. 39)	81,000	535,000	
"Transportation" (70 Stat. 96 and 71 Stat. 39)	8,800,000	201,117,000	
"Facilities" (71 Stat. 39)		71,520,000	
Transferred (70 Stat. 96) to—			
"Finance"	−100,000		
"Facilities"	−1,991,000		

This appropriation covers the operation of post offices. It also includes mail handling in transit previously accounted for under the appropriation for "Transportation" and motor vehicle operation and maintenance previously carried under the appropriation for "Facilities." The amount requested for 1959 is $2,703,468,000, an increase of $84,524,000 compared with the current year. This increase is caused primarily by the 3.4% increase in mail volume, and the expansion of delivery service to keep pace with the growth of urban and suburban areas.

1. *Administration of post office operations.*—This activity includes postmasters and post office supervisors.

POST OFFICES BY CLASSES—AS OF JUNE 30

	1955 actual	*1956 actual*	*1957 actual*	*1958 estimate*	*1959 estimate*
First class	3,427	3,626	3,681	3,743	3,803
Second class	6,605	6,609	6,612	6,683	6,755
Third class	13,224	13,095	13,134	13,163	13,188
Fourth class	15,060	14,185	13,585	13,073	12,616
Total post offices	38,316	37,515	37,012	36,662	36,362

2. *Mail handling and window service.*—This activity includes clerical employees in post offices for the handling of incoming and outgoing mail and window service to the public, including that required in contract stations. In 1957, due to shortage of funds, window service to the public was temporarily curtailed. This had no effect on the mail volume received and therefore served to inflate temporarily the average pieces handled per man-year. The following table shows man-years of employment for this activity compared with total mail volume. Since a portion of the mail is distributed in transit and at terminals, the employment under the mail-handling-in-transit activity has also been shown and combined with the employment under this activity in arriving at average pieces per clerk man-year.

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

OPERATIONS—Continued

COMPARISON OF TOTAL CLERICAL EMPLOYMENT AND WORKLOAD

	Man-years of employment		Pieces of mail (millions)	Average pieces per clerk man-year
	At post offices	In transit		
1955	205,153	37,533	55,234	227,595
1956	204,547	37,534	56,441	233,149
1957	209,524	38,336	59,078	238,352
1958 (estimate)	217,343	39,493	61,441	239,223
1959 (estimate)	222,619	40,448	63,530	241,497

3. *Collection and delivery.*—This activity covers the collection and delivery of mail by city delivery carriers, as well as the delivery of mail by special delivery messengers and rural carriers. It includes both collection and delivery routes, mixed business and residential routes, and parcel post and relay routes. The funds requested will provide for new city delivery routes in the expanding suburban areas and at new city delivery offices.

EMPLOYMENT OF CARRIERS AND SPECIAL DELIVERY MESSENGERS AND NUMBER OF ROUTES SERVED

	Man-years of employment	Number of full-time equivalent routes		
		Residential	Business	Rural
1957	186,286	89,835	7,539	31,615
1958 (estimate)	194,197	94,840	7,590	31,507
1959 (estimate)	200,734	99,280	7,650	31,403

4. *Custodial service.*—This activity covers the cleaning of Federal buildings under the jurisdiction of the Post Office Department and leased postal space.

5. *Mail handling in transit.*—This activity covers the processing and distribution of mail at terminals, railway post offices, highway post offices, airport mail facilities, and at short-haul truck terminals. The man-years of employment in this activity are shown in the table of clerical employment in the mail-handling and window-service activity above.

6. *Vehicle service.*—This activity covers operation and maintenance of Government-owned vehicles and rental of contract vehicles for use in the collection and delivery of mail.

DATA RELATING TO VEHICLE SERVICE

[Hours of use]

	1956 actual	1957 actual	1958 estimate	1959 estimate
Government-owned vehicles:				
Carrier mechanization program	831,400	845,798	3,084,740	7,684,122
Regular vehicle service	60,677,551	68,005,872	74,323,451	78,705,007
Borrowed vehicles (Christmas)	873,249	971,669	1,200,000	1,500,000
Contract vehicles	9,635,700	7,586,555	6,477,894	6,716,418
Total hours of use	72,017,900	77,409,894	85,086,085	94,605,547
Average cost per hour	$0.539	$0.515	$0.519	$0.520

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	370,048	379,595	388,259
Full-time equivalent of all other positions	145,849	154,206	159,134
Average number of all employees	519,931	538,267	552,020
Number of employees at end of year	511,526	528,807	542,211
Average PFS level and salary	4.5 $4,514	4.5 $4,534	4.5 $4,544
Average salary of ungraded positions	$3,827	$3,887	$3,936
01 Personal services:			
Permanent positions	$1,620,378,118	$1,668,727,644	$1,715,713,132
Positions other than permanent	558,539,044	598,416,285	622,870,145
Other personal services	98,683,245	114,744,743	113,099,768
Total personal services	2,277,600,407	2,381,888,672	2,451,683,045
02 Travel	14,218,595	14,501,170	15,016,836
03 Transportation of things	51,485,244	51,474,582	52,238,187
05 Rents and utility services	4,112,237	4,076,000	4,020,000
07 Other contractual services	16,115,032	17,754,173	18,962,761
08 Supplies and materials	15,530,433	18,376,034	21,452,596
11 Grants, subsidies, and contributions		124,839,846	133,878,050
13 Refunds, awards, and indemnities	48,627		
15 Taxes and assessments	5,546,457	6,033,523	6,216,525
Total obligations	2,384,657,032	2,618,944,000	2,703,468,000

TRANSPORTATION

For [expenses necessary for the administration and operation of the postal transportation service, including] payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail, [$648,000,000] *$476,200,000.* (*5 U. S. C. 22a, 133z–15, 361, 369, 372; 39 U. S. C. 424, 434, 470, 481, 483–488a, 493, 494, 539–541, 565, 569, 578, 579, 651, 667, 669, 672, 794f, 802, 848b, 1051–1056; 49 U. S. C. 481, 485, 485b–486; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, [a] **$672,000,000** Estimate 1959, [b] **$476,200,000**
Appropriated (adjusted) 1958, [a] **$470,883,000**

[a] Includes $24,000,000 appropriated in Public Law 85-64, approved June 28, 1957.
[b] Excludes $905,000 for activities transferred in the estimates to "Administration, regional operation, and research." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Water transportation	$13,351,004	$14,011,000	$14,729,000
2. Truck transportation	79,745,140	82,697,000	86,172,000
3. Rail transportation	292,138,356	305,290,000	302,706,000
4. Air transportation	55,882,526	60,672,000	64,865,000
5. Terminal and transportation charges by foreign countries	7,001,902	7,311,000	7,728,000
Total obligations	448,118,928	469,981,000	476,200,000
Financing:			
Comparative transfers to other accounts	192,831,507	902,000	
Unobligated balance no longer available	2,849,565		
Appropriation (adjusted)	643,800,000	470,883,000	476,200,000
Appropriation adjusted:			
Appropriation	$650,000,000	$672,000,000	$476,200,000
Transferred to "Operations" (70 Stat. 96 and 71 Stat. 39)	−8,800,000	−201,117,000	
Transferred (70 Stat. 96) from—			
"Finance"	600,000		
"Facilities"	2,000,000		

This appropriation covers the transportation of mail by air, land, and water. The handling of mail in transit and the administration of the transportation program previously carried under this heading have been transferred respectively to the appropriations for "Operations" and "Administration, regional operation, and research." The current year contains $9 million partial cost of anticipated railroad rate increase for western and southern railroads; no funds are provided for this purpose in this appropriation estimate for 1959 pending settlement of the cases. Upon settlement additional funds will have to be provided and a supplemental for this purpose is included under proposed for later transmission. The amount requested for 1959 is $476,200,000, an increase of $6,219,000 compared with the current year. The major portion of the increase is for the anticipated additional volume of mail to be transported by rail and air, together with some expansion of the highway transportation services.

1. *Water transportation.*—This covers transportation by powerboat and steamship, and the handling and stevedoring at ports in the United States and its Territories.

DATA RELATING TO TRANSPORTATION BY OCEAN VESSELS

	Pounds (thousands)	Payments to carriers	Average per pound (cents)
1955	185,750	$9,447,128	5.09
1956	193,020	9,650,991	5.00
1957	205,179	10,612,304	5.17
1958 (estimate)	214,125	11,134,000	5.20
1959 (estimate)	226,180	11,761,000	5.20

2. *Truck transportation.*—Star-route service is provided between post offices not afforded other means of transportation, and for supplemental service at the offices where there is not adequate mail supply.

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DATA RELATING TO TRANSPORTATION BY STAR ROUTE

	Number of routes	Scheduled miles of travel (thousands)	Annual obligations	Average per mile (cents)
1955	11,306	245,215	$40,025,621	16.32
1956	10,852	249,321	41,071,541	16.47
1957	10,565	256,792	42,492,770	16.55
1958 (estimate)	10,340	265,149	43,762,000	16.50
1959 (estimate)	10,215	275,825	44,974,000	16.31

Short-haul truck service is provided for mail diverted from railroads when lower rates or improved service will result. The expansion of this service is the result of a long-range program to transport mail by the most economical and expeditious means.

DATA RELATING TO SHORT-HAUL TRUCK SERVICE

	Number of routes	Scheduled miles of travel (thousands)	Annual obligations	Average per mile (cents)
1955	589	41,809	$9,352,348	22.37
1956	633	47,241	10,531,732	22.29
1957	668	51,826	12,082,645	23.31
1958 (estimate)	718	57,655	13,437,000	23.31
1959 (estimate)	768	63,828	14,971,000	23.46

Mobile highway post offices provide mail distribution in contract vehicles where adequate train service does not exist. The estimate provides for 20 additional contract routes to be established where present service does not meet the demands for efficient and economical mail transportation.

DATA RELATING TO CONTRACT HIGHWAY POST OFFICE SERVICE

	Number of routes	Scheduled miles of travel (thousands)	Annual obligations	Average per mile (cents)
1955	126	14,267	$3,290,943	23.07
1956	152	16,908	4,724,335	27.94
1957	170	18,564	5,173,343	27.87
1958 (estimate)	190	20,385	5,849,000	28.69
1959 (estimate)	210	22,136	6,500,000	29.36

3. *Rail transportation.*—This covers transportation by rail in continental United States, Alaska, and Puerto Rico. The estimate provides for increased mail volume, offset in part by further diversion of short hauls from rail to truck.

DATA RELATING TO TRANSPORTATION BY RAILROAD

	Pieces of mail (millions)	Obligations (thousands)	Average cost per piece (cents)
1955	43,429	$297,166	0.68
1956	43,769	293,345	.67
1957	45,530	292,138	.64
1958 (estimate)	47,307	[1] 296,290	.63
1959 (estimate)	48,857	302,706	.62

[1] Excludes $9 million partial cost of railroad rate increases.

4. *Air transportation.*—This covers transportation between points within the United States and Alaska, to United States Territories and possessions, and to foreign countries. Payments to carriers cover only compensation for service; any subsidy is paid by the Civil Aeronautics Board.

DATA RELATING TO DOMESTIC AIRMAIL CARRIERS

	Pieces of mail (thousands) [1]	Payments to carriers [1]	Average cost per piece (cents)
1955	1,733,459	$33,719,567	1.95
1956	1,777,869	35,134,298	1.98
1957	1,897,078	37,824,794	1.99
1958 (estimate)	2,017,015	40,304,000	2.00
1959 (estimate)	2,145,260	42,958,000	2.00

[1] Includes preferential mail.

DATA RELATING TO FOREIGN AIRMAIL SERVICE

	Pieces of mail (thousands) [1]	Payments to carriers [1]	Average cost per piece (cents)
1955	158,330	$14,827,327	9.36
1956	178,095	14,425,692	8.10
1957	189,082	18,040,887	9.54
1958 (estimate)	193,950	20,348,000	10.49
1959 (estimate)	205,367	21,882,000	10.66

[1] Excludes military airmail volume and amounts for which the Department will be reimbursed.

5. *Terminal and transportation charges by foreign countries.*—Payments are made to foreign countries in accordance with international postal conventions or agreements, for transportation and handling of transit mails of United States origin.

Object Classification

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$447,737,299	$460,981,000	$476,200,000
	Partial cost of railroad rate increase, western and southern roads		9,000,000	
07	Other contractual services	381,127		
08	Supplies and materials	502		
	Total obligations	448,118,928	469,981,000	476,200,000

[FINANCE]

[For expenses necessary for the administration of the financial services of the Post Office Department, including the procurement of stamps and accountable paper, $13,500,000.] (*Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, **$13,500,000**
Appropriated (adjusted) 1958, **$3,955,000**

NOTE.—Estimate of $3,613,000 for activities previously carried under this title has been transferred in the estimates to "Administration, regional operation, and research." The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$12,300,938	$3,955,000	
Unobligated balance no longer available	99,062		
Appropriation (adjusted)	12,400,000	3,955,000	
Appropriation adjusted:			
Appropriation	$12,900,000	$13,500,000	
Transferred (70 Stat. 96, and 71 Stat. 39) to—			
"Administration, regional operation, and research"		−856,000	
"Transportation"	−600,000		
"Facilities"		−8,689,000	
Transferred from "Operations" (70 Stat. 96)	100,000		

This appropriation has been distributed to the appropriations for "Administration, regional operation, and research," and "Facilities."

FACILITIES

For expenses necessary for the [administration and] operation of postal facilities, buildings, [vehicles,] and field postal communication service; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); procurement of *stamps and accountable paper,* postal supplies, and equipment; *and* storage [and repair] of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government [where repairs are made necessary because of utilization of such vehicles in the postal service; $220,000,000]; *$176,503,000: Provided,* That the aggregate of annual payments for amortization of principal and interest thereon required by all purchase contracts entered into prior to July 1, [1958] *1959,* pursuant to the Post Office Department Property Act of 1954 (68 Stat. 521), shall not exceed the $3,000,000 limitation under section 202 (i) of said Act. (*5 U. S. C. 22a, 30q, 43, 61g, 73b–3, 133z–15, 150, 361, 366, 369, 374, 836–840, 2091–2103, 2121–2123, 2131–2133, 2181–2185, 2254; 6 U. S. C. 14; 10 U. S. C. appendix 371a; 31 U. S. C. 82a–1, 82a–2; 32 U. S. C. appendix 76; 39 U. S. C. 11, 11a, 12, 14, 64, 136a, 155, 156, 158, 355, 360, 483, 577, 715, 720, 794f, 829, 848b, 901–909, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1006, 1008, 1010, 1021, 1031–1033, 1035–1038; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, [a] **$237,000,000** Estimate 1959, [b] **$176,503,000**
Appropriated (adjusted) 1958, [a] **$174,135,000**

[a] Includes $17,000,000 appropriated in Public Law 85–64, approved June 28, 1957.
[b] Excludes $2,142,000 for activities transferred in the estimates as follows: "Administration, regional operation, and research," $1,395,000 and "Operations," $747,000. The amounts obligated in 1957 and 1958 are shown in the schedule as comparative transfers.

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

FACILITIES—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Buildings operating expense	$57,102,380	$64,701,000	$69,505,000
2. Supply service	31,432,252	37,871,000	37,650,000
3. Capital program	41,062,112	69,462,000	69,348,000
Total obligations	129,596,744	172,034,000	176,503,000
Financing:			
Comparative transfers to other accounts	58,005,858	2,101,000	
Unobligated balance no longer available	1,388,398		
Appropriation (adjusted)	188,991,000	174,135,000	176,503,000
Appropriation (adjusted):			
Appropriation	$189,000,000	$237,000,000	$176,503,000
Transferred to—			
"Administration, regional operation, and research" (71 Stat. 39)		−34,000	
"Operations" (71 Stat. 39)		−71,520,000	
"Transportation" (70 Stat. 96)	−2,000,000		
Transferred from—			
"Operations" (70 Stat. 96)	1,991,000		
"Finance" (71 Stat. 39)		8,689,000	

This appropriation covers the purchase of vehicles and other equipment, leasing of space, maintenance, and improvement of federally owned postal buildings and the procurement of supplies and stamps. Operation and maintenance of motor vehicles and the administration of the "Facilities" program previously carried under this head have been transferred respectively to the appropriations for "Operations" and "Administration, regional operation, and research." The purchase of stamps and accountable paper was transferred from "Finance." The amount requested for 1959 is $176,503,000, an increase of $4,469,000 compared with the current year. The increase is under the activity for buildings operating expense; the other activities reflect decreases.

1. *Buildings operating expense.*—This activity covers rent, utilities, fuel, communications, and building supplies paid for by the Department in connection with postal installations throughout the United States, its Territories and possessions.

RENTED BUILDINGS INCLUDING GARAGES

	Number	*Annual rental*	*Interior square feet*
June 30, 1956	23,397	$32,767,000	36,629,000
June 30, 1957	23,544	34,989,225	40,277,000
June 30, 1958 (estimate)	23,739	37,702,000	43,321,000
June 30, 1959 (estimate)	23,927	40,317,000	46,326,000

2. *Supply services.*—Under this activity is included the procurement, warehousing, and distribution of supplies used by the postal service; manufacture, storage, and repair of mail bags, locks, and other specialized mail equipment items; and the rental of business machines.

3. *Capital program.*—This activity covers the procurement of equipment including motor vehicle and garage equipment, alterations and improvements to postal facilities including large-scale improvement projects. This program for 1959 includes approximately $10 million for the continuation of the light, color, and ventilation program and approximately $20 million for the expansion of the installation of modern mail-handling equipment in major facilities and other building improvement. Because of the successful experimental program to mechanize city carriers' routes, funds are included for the purchase of 2,400 additional "mailsters" and 500 light-weight "sit-stand" trucks. Another 3,000 trucks are being purchased as replacements.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,394	1,439	1,439
Full-time equivalent of all other positions	38		
Average number of all employees	1,411	1,437	1,446
Number of employees at end of year	1,394	1,439	1,439
Average PFS level and salary	3.5 $4,017	3.5 $4,094	3.5 $4,143
01 Personal services:			
Permanent positions	$5,425,183	$5,748,439	$5,878,582
Positions other than permanent	126,733		
Other personal services	199,307	348,161	396,418
Total personal services	5,751,223	6,096,600	6,275,000
02 Travel	116,976	126,000	126,000
03 Transportation of things	2,658,472	2,619,000	3,249,000
04 Communication services	2,965,835	3,455,000	3,847,000
05 Rents and utility services	46,326,019	50,641,000	54,630,000
06 Printing and reproduction	3,620,172	4,537,000	4,484,000
07 Other contractual services	12,817,355	16,798,600	13,965,400
08 Supplies and materials	24,485,477	30,626,000	30,448,000
09 Equipment	29,759,655	53,031,000	55,354,000
10 Lands and structures	1,089,475	3,750,000	3,750,000
11 Grants, subsidies, and contributions		349,600	370,400
15 Taxes and assessments	6,085	4,200	4,200
Total obligations	129,596,744	172,034,000	176,503,000

JUDGMENTS, UNITED STATES COURTS AND COURT OF CLAIMS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Judgments (total obligations)	$26,541		
Financing:			
Appropriation (new obligational authority)	26,541		

Object Classification

13 Refunds, awards, and indemnities	$26,541		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services:			
Permanent positions	$54,213	$7,000	$7,000
Positions other than permanent	1,046,849	1,177,000	1,313,000
Total personal services	1,101,062	1,184,000	1,320,000
03 Transportation of things	13,466,593	13,468,000	13,468,000
04 Communication services	355,252	355,000	355,000
05 Rents and utility services	141		
08 Supplies and materials	534,032	572,200	540,200
09 Equipment	278,382	361,000	627,000
10 Lands and structures	60,666	691,000	1,875,000
Total obligations	15,796,128	16,631,200	18,185,200

Proposed for later transmission:

RAILROAD RATE INCREASES

Under existing legislation, 1959.—A supplemental of $25 million is anticipated to pay costs of the railroad rate increases now pending before the Interstate Commerce Commission.

POSTAL RATE INCREASE

Under proposed legislation, 1959.—Postal rate increase legislation (H. R. 5836) has been enacted by the House of Representatives which would readjust postal rates and

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provide approximately $526 million in 1959. Legislation amending H. R. 5836 will be proposed to increase revenues by approximately $700 million in 1959.

	1959
Postal operating deficit under existing legislation	$676,121,000
Railroad rate increases	25,000,000
Postal rate increase	−700,000,000
Postal operating deficit under proposed for later transmission	1,121,000

GENERAL PROVISIONS—POST OFFICE DEPARTMENT

SEC. 202. During the current fiscal year, and under such regulations as may be prescribed by the Postmaster General, not to exceed an aggregate of $100,000 shall be available from any funds available to the Post Office Department, as may be determined by him, for expenses necessary to enable the Department to participate in Federal or non-Federal training programs and for necessary expenses of training officers and employees (both departmental and field postal services) in such subjects or courses of instruction in either Federal or non-Federal facilities as will contribute to the improved performance of their official duties: *Provided*, That not more than forty-five of such officers and employees may participate in any training program in a non-Federal facility which is of more than ninety days duration.

SEC. 203. Not exceeding $22,000,000 of appropriations in this title shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, D. C., and for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes of which not to exceed $20,000,000 shall be available for improving lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes.

SEC. 204. Hereafter, payments for damage to Government-owned personal property under the custody and control of the Post Office Department shall be credited to applicable appropriations and shall be available for meeting the costs of repairing such damaged property.

SEC. 205. Hereafter, payments made by contractors for services performed for them by postal personnel, and for fines, penalties, and refunds, resulting from their nonperformance or inadequate performance under contracts with the Post Office Department, shall be credited to applicable appropriations and shall be available for payment of such postal personnel or for meeting the cost of other contracts. (*Treasury-Post Office Appropriation Act, 1958.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

POST OFFICE DEPARTMENT

	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
Postal fund						54	$1,000	2 hired cars and 2 Government-owned cars are used by the Postmaster General, the assistant postmasters general, and by officials of all bureaus of the Department for the transaction of official business. All other cars are used in the field for local transportation at the largest post offices for supervision purposes.

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DEPARTMENT OF STATE

Expenditures of the Department of State for 1959 are estimated to be $228 million, the same as in 1958, but recommended new obligational authority for 1959 of $207 million is $6 million less than in 1958 and $23 million below the actual 1957 amount. Expenditures will exceed new obligational authority in 1958 and 1959 mainly because of continuing work on the new State Department building which was largely appropriated for in 1957.

The conduct of foreign affairs requires 87% of the new obligational authority recommended for the Department in 1959. Exchange of persons is the next largest activity, and cooperation with neighboring countries in conservation and development of natural resources accounts for the remainder.

Conduct of foreign affairs.—The budget contemplates that operating expenses will rise in 1959 in both the departmental and the foreign service. Three factors account for this estimated rise. First, prices and wage rates overseas have increased. Second, additional costs are resulting from larger passport and consular workloads. Third, the budget provides for strengthening the foreign service through the establishment of new posts, particularly in Africa; through improved political and economic reporting; and through better supporting services. Increased funds are recommended for training, representation allowances, employee benefits authorized by the Congress, and travel to international conferences.

The budget also provides an increase in 1959 for contributions to international organizations. This is required by the establishment of the new International Atomic Energy Agency and by additional amounts which various other organizations have voted for their budgets, to which the United States pays its share.

Supplemental appropriations are anticipated in 1958 for consular work resulting from recent amendments to the Immigration and Nationality Act, for participation in the International Atomic Energy Agency, and for contributions to the United Nations Emergency Force in the Near East.

Economic and technical development.—Work on the Rama Road in Nicaragua will continue in 1959 without any new obligational authority being required.

Foreign information and exchange activities.—Exchange of leaders, professors, students, and specialists with other nations will continue at the 1958 level, as will special exchanges of persons and grants of books and educational equipment with Finland and India. The latter are financed from repayment of debts. A special appropriation in 1958 for use of Israeli pounds for a scientific, educational, and cultural grant to Israel will not recur. In 1959 the Department plans to use an increased amount of foreign currencies, received from the sale of surplus agricultural commodities, for educational exchange and for grants to American-sponsored schools abroad. The activities financed from these currencies are in addition to those financed by appropriation of dollars.

Conservation and development of land and water resources.—The 1959 budget recommendation for the International Boundary and Water Commission will permit the continuation of construction of the Anzalduas dam on the lower Rio Grande River, to which Mexico contributes. The budget also provides for the completion of the survey, being conducted jointly with Canada, of Passamaquoddy tidal power.

Conservation and development of fish and wildlife.—Contributions to international fisheries commissions to regulate fishing and preserve fish stocks in international waters will be approximately the same as in 1958, with continued emphasis on eradication of the sea lamprey in the Great Lakes.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
International affairs and finance:						
151 Conduct of foreign affairs	$203,505	$181,579	$180,637	$155,215	$191,538	$198,999
152 Economic and technical development	2,000	1,500		1,240	2,104	1,504
153 Foreign information and exchange activities	20,496	24,724	21,199	18,342	25,911	21,000
Total, international affairs and finance	226,001	207,803	201,836	174,797	219,553	221,503
Natural resources:						
401 Conservation and development of land and water resources	2,904	3,682	3,691	3,443	6,430	5,337
404 Conservation and development of fish and wildlife	1,266	1,680	1,660	1,227	1,739	1,660
Total, natural resources	4,170	5,362	5,351	4,670	8,169	6,997
Total, Department of State	230,171	213,165	207,187	179,467	227,722	228,500

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
ADMINISTRATION OF FOREIGN AFFAIRS							
Current authorizations:							
Salaries and expenses	151	$91,250,000	$98,088,500	$105,000,000	$93,198,733	$97,300,000	$102,000,000
Representation allowances	151	800,000	600,000	1,000,000	775,430	619,237	900,000
Acquisition of buildings abroad	151	19,000,000	18,500,000	18,500,000	12,614,682	20,000,000	23,000,000
Emergencies in the diplomatic and consular service	151	1,725,000	1,000,000	1,000,000	770,653	1,575,000	925,000
Payment to Foreign Service retirement and disability fund	151	1,304,000	1,667,000	2,025,000	1,304,000	1,667,000	2,025,000
Administrative expenses (mutual security)	151		4,577,000			3,450,000	1,127,000
Extension and remodeling, State Department building	151	44,920,000	2,500,000		2,767,076	11,524,000	18,230,000
Government in occupied areas	151				610,717	78,709	4,000
Permanent authorizations:							
Replacement of personal property sold abroad (indefinite special account)	151	275,205	347,562	291,000	256,666	524,693	323,000
Intragovernmental funds:							
Advances and reimbursements	151				4,616	85,000	45,000
Proposed for later transmission (under existing legislation):							
Salaries and expenses	151		650,000			500,000	150,000
Administrative expenses (mutual security)	151			4,577,000			3,450,000
Total, administration of foreign affairs		159,274,205	127,930,062	132,393,000	112,302,573	137,323,639	152,179,000
INTERNATIONAL ORGANIZATIONS AND CONFERENCES							
Current authorizations:							
Contributions to international organizations	151	38,028,694	35,899,243	41,889,151	37,061,515	36,375,000	41,000,000
Missions to international organizations	151	1,287,000	1,357,500	1,700,000	1,215,528	1,320,000	1,465,000
International contingencies	151	1,725,000	1,500,000	2,400,000	1,453,415	1,780,883	1,950,000
Eleventh World Health Assembly of the World Health Organization	151		332,500			332,500	
Proposed for later transmission (under existing legislation):							
Contributions to international organizations	151		12,000,000			12,000,000	
International contingencies	151		300,000			150,000	150,000
Total, international organizations and conferences		41,040,694	51,389,243	45,989,151	39,730,458	51,958,383	44,565,000
INTERNATIONAL COMMISSIONS							
Current authorizations:							
International Boundary and Water Commission, United States and Mexico:							
Salaries and expenses	401	506,000	505,000	505,000	481,552	506,075	500,000
Operation and maintenance	401	1,463,000	1,533,000	1,570,000	1,472,431	1,536,123	1,550,000
Construction	401		300,000	1,000,000	810,723	2,900,246	2,458,000
Rio Grande emergency flood protection	401				1,291	64,207	50,000
American sections, international commissions	151	296,000	330,000	325,000	287,308	326,115	325,000
Passamaquoddy tidal power survey	401	935,000	1,344,000	616,000	677,478	1,423,110	779,000
International fisheries commissions	404	1,265,587	1,680,000	1,660,000	1,227,478	1,716,578	1,660,000
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission	404					22,500	
Total, international commissions		4,465,587	5,692,000	5,676,000	4,958,261	8,494,954	7,322,000
EDUCATIONAL EXCHANGE							
Current authorizations:							
International educational exchange activities	153	20,000,000	20,800,000	20,800,000	16,878,628	20,855,000	19,500,000
Educational, scientific, and cultural activities	153		3,525,000			3,525,000	
Educational aid for China and Korea	153				−1,446		
Permanent authorizations:							
Educational exchange fund, payments by Finland, World War I debt (indefinite special account)	153	396,162	399,109	399,000	447,527	430,000	450,000
Educational fund, interest payments by the Government of India (indefinite special account)	153				1,017,021	1,075,000	1,050,000
Total, educational exchange		20,396,162	24,724,109	21,199,000	18,341,730	25,885,000	21,000,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
OTHER							
Current authorizations:							
Rama Road, Nicaragua	152	$2,000,000	$1,500,000		$1,239,471	$2,100,000	$1,500,000
Cleveland Pan American Games	153	100,000				26,000	
Vatican City claims	151	964,200			964,200		
Salaries and expenses, Philippine Rehabilitation	152					4,000	4,000
Liquidation of Displaced Persons Commission	152				247	123	
Permanent authorizations:							
Payment to the Republic of Panama	151	1,930,000	1,930,000	$1,930,000	1,930,000	1,930,000	1,930,000
Total, other		4,994,200	3,430,000	1,930,000	4,133,918	4,060,123	3,434,000
Total new obligational authority and budget expenditures		230,170,848	213,165,414	207,187,151	179,466,940	227,722,099	228,500,000
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$227,569,481	$197,538,743	$199,990,151	$179,466,940	$215,072,099	$224,750,000
Permanent authorizations:							
Appropriations		2,601,367	2,676,671	2,620,000			
Proposed for later transmission:							
Appropriations			12,950,000	4,577,000		12,650,000	3,750,000
Total new obligational authority and budget expenditures		230,170,848	213,165,414	207,187,151	179,466,940	227,722,099	228,500,000

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditure from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
ADMINISTRATION OF FOREIGN AFFAIRS											
Current authorizations:											
Salaries and expenses		$4,780		$1,864		$2,652	$105,000	$101,800	$200		$5,652
Representation allowances		108		119		100	1,000	800	100		200
Acquisition of buildings abroad	$4,439	12,586	$1,537	18,972	$750	17,472	18,500	12,000	11,000	$750	12,972
Emergencies in the diplomatic and consular service		464		1,323		748	1,000	600	325		823
Payment to Foreign Service retirement and disability fund							2,025	2,025			
Administrative expenses (mutual security)						1,127			1,127		
Extension and remodeling, State Department Building	868	1,658	5,452	43,811	5,782	34,787			18,230	2,422	16,557
Government in occupied areas		773		89		10			4		6
Permanent authorizations:											
Replacement of personal property sold abroad (indefinite special account)	164	274	77	292		116	291	210	113		84
Intragovernmental funds:											
Advances and reimbursements	135	342	133	333	42	248			45		203
Proposed for later transmission (under existing legislation):											
Salaries and expenses						150			150		
Administrative expenses (mutual security)							4,577	3,450			1,127
Total, administration of foreign affairs	5,606	20,985	7,199	66,803	6,574	57,410	132,393	120,885	31,294	3,172	37,624
INTERNATIONAL ORGANIZATIONS AND CONFERENCES											
Current authorizations:											
Contributions to international organizations		212		1,183		707	41,889	40,309	691		1,596
Missions to international organizations		123		85		122	1,700	1,365	100		357
International contingencies		272		495		214	2,400	1,800	150		664
Proposed for later transmission (under existing legislation):											
Contributions to international organizations											
International contingencies						150			150		
Total, international organizations and conferences		607		1,763		1,193	45,989	43,474	1,091		2,617
INTERNATIONAL COMMISSIONS											
Current authorizations:											
International Boundary and Water Commission, United States and Mexico:											
Salaries and expenses		30		31		30	505	470	30		35
Operation and maintenance		91		73		70	1,570	1,480	70		90
Construction	4,775	4,921	3,962	4,110	1,300	1,510	1,000	950	1,508		52
Rio Grande emergency flood protection	114	115	114	114	50	50			50		
American sections, international commissions		28		37		41	325	291	34		41
Passamaquoddy tidal power survey			68	258	30	178	616	605	174		15
International fisheries commissions		50		77		40	1,660	1,620	40		40
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission	2	75	53	75	53	53				53	53
Total, international commissions	4,891	5,310	4,197	4,775	1,433	1,972	5,676	5,416	1,906	53	326
EDUCATIONAL EXCHANGE											
Current authorizations:											
International educational exchange activities		9,212		11,930		11,875	20,800	9,000	10,500		13,175
Educational aid for China and Korea	35	20									
Permanent authorizations:											
Educational exchange fund, payments by Finland, World War I debt (indefinite special account)	499	900	505	849	505	818	399		450	505	767
Educational fund, interest payments by the Government of India (indefinite special account)	2,891	3,997	2,609	2,980	1,563	1,905			1,050	563	855
Total, educational exchange	3,425	14,129	3,114	15,759	2,068	14,598	21,199	9,000	12,000	1,068	14,797

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OTHER											
Current authorizations:											
Rama Road, Nicaragua	$438	$2,556	$2,273	$3,317	$573	$2,717			$1,500		$1,217
Cleveland Pan American Games			100	100							
Salaries and expenses, Philippine Rehabilitation				8		5			4		1
Permanent authorizations:											
Payment to the Republic of Panama							$1,930	$1,930			
Total, other	438	2,556	2,373	3,425	573	2,722	1,930	1,930	1,504		1,218
Total, Department of State	14,360	43,587	16,883	92,525	10,648	77,895	207,187	180,705	47,795	$4,293	56,582
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$14,225	$43,245	$16,750	$92,192	$10,606	$77,347	$202,610	$177,255	$47,495	$4,293	$55,252
Revolving and management funds: Intragovernmental funds	135	342	133	333	42	248					203
Proposed for later transmission:											
Appropriations						300	4,577	3,450	300		1,127
Total, Department of State	14,360	43,587	16,883	92,525	10,648	77,895	207,187	180,705	47,795	4,293	56,582

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$43,245	$92,192	$77,347
Revolving and management funds	342	333	248
Proposed for later transmission: Appropriations			300
Total balances brought forward	43,587	92,525	77,895
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	227,570	197,539	199,990
Permanent authorizations: Appropriations	2,601	2,676	2,620
Total new obligational authority enacted or recommended	230,171	200,215	202,610
Proposed for later transmission: Appropriations		12,950	4,577
Total new obligational authority	230,171	213,165	207,187
Other amounts available: Restored from certified claims account	609		
Total budget authorizations available	274,367	305,690	285,082
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	179,467	215,072	177,255
Out of balances of prior obligational authority			47,495
Total expenditures from obligational authority enacted or recommended	179,467	215,072	224,750
From obligational authority proposed for later transmission:			
Out of new obligational authority		12,650	3,450
Out of balances of prior obligational authority			300
Total expenditures from obligational authority proposed for later transmission		12,650	3,750
Total budget expenditures	179,467	227,722	228,500
Amounts no longer available:			
Unobligated balances expiring and lapsing	892	74	
Adjustment of balances downward in expired accounts, net	1,483		
Total amounts no longer available	2,375	74	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	92,192	77,347	55,252
Revolving and management funds	333	248	203
Proposed for later transmission: Appropriations		300	1,127
Total balances carried forward at close of year	92,525	77,895	56,582
Obligations incurred, net	$226,756	$219,326	$213,542

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ADMINISTRATION OF FOREIGN AFFAIRS

Current authorizations:

SALARIES AND EXPENSES

[Salaries and expenses:] For necessary expenses of the Department of State, not otherwise provided for, including expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158), not otherwise provided for; expenses necessary to meet the responsibilities and obligations of the United States in Germany (including those arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany); salary of the United States member of the Board for the Validation of German Bonds in the United States at the rate of $17,100 per annum; expenses of the National Commission on Educational, Scientific, and Cultural Cooperation as authorized by sections 3, 5, and 6 of the Act of July 30, 1946 (22 U. S. C. 287o, 287q, 287r); expenses of attendance at meetings concerned with activities provided for under this appropriation; purchase (not to exceed [fifteen] *sixteen*, of which three shall be for replacement only) and hire of passenger motor vehicles; printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of uniforms; payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; dues for library membership in organizations which issue publications to members only, or to members at a price lower than the others; employment of aliens, by contract for services abroad; refund of fees erroneously charged and paid for passports; radio communications; payment in advance for subscriptions to commercial information, telephone and similar services abroad; rent and expenses of maintaining in Morocco institutions for American convicts and persons declared insane by any consular court, and care and transportation of prisoners and persons declared insane; expenses, as authorized by law (18 U. S. C. 3192), of bringing to the United States from foreign countries persons charged with crime; and procurement by contract or otherwise, of services, supplies, and facilities, as follows: (1) translating, (2) analysis and tabulation of technical information, and (3) preparation of special maps, globes, and geographic aids; [$98,088,500] *$105,000,000*, of which not less than $9,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That passenger motor vehicles in possession of the Foreign Service abroad may be replaced in accordance with section 7 of the Act of August 1, 1956 (70 Stat. 891) and the cost, including the exchange allowance, of each such replacement shall not exceed [$3,000] *$3,500* in the case of the chief of mission automobile at each diplomatic mission (except that eleven such vehicles may be purchased [at not to exceed $5,000 each] *within such maximum limitation on cost for each vehicle as may be authorized by the Secretary of State in lieu of any maximum limitation on cost which may be otherwise provided by law*) [and $1,500 in the case of all other such vehicles except station wagons]. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$98,088,500** Estimate 1959, **$105,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Executive direction and policy formulation	$6,817,540	$7,559,821	$7,666,879
2. Conduct of diplomatic and consular relations with foreign countries	68,291,148	73,854,533	80,366,644
3. Conduct of diplomatic relations with international organizations	1,372,604	1,528,820	1,637,121
4. Domestic public information and liaison	1,375,244	1,505,793	1,509,224
5. Central program services	3,086,505	3,441,255	3,511,408
6. Administrative and staff activities	9,889,842	10,198,278	10,308,724
Total direct obligations	90,832,883	98,088,500	105,000,000
Reimbursable obligations:			
1. Executive direction and policy formulation	609,799	887,760	887,760
2. Conduct of diplomatic and consular relations with foreign countries	46,796,762	47,110,596	49,310,596
3. Conduct of diplomatic relations with international organizations	91,554	91,510	91,510
4. Domestic public information and liaison	28,502	64,500	64,500
5. Central program services	395,010	410,126	410,126
6. Administrative and staff activities	2,921,202	2,835,508	2,835,508
Total reimbursable obligations	50,842,829	51,400,000	53,600,000
Total obligations	141,675,712	149,488,500	158,600,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Comparative transfers to other accounts	$62,000		
Advances and reimbursements from—			
Other accounts	−50,581,091	−$51,022,000	−$53,222,000
Non-Federal sources	−309,000	−378,000	−378,000
Unobligated balance no longer available	402,379		
Appropriation (new obligational authority)	91,250,000	98,088,500	105,000,000

NOTE.—Reimbursements from non-Federal sources are derived from payments for cablegrams and telephone service involved in procuring information for corporations, firms, and individuals (5 U. S. C. 169), from sales of personal property (40 U. S. C. 481 (c)), and from refunds of terminal leave payments (5 U. S. C. 61 (b)).

The program described below is financed by this appropriation and by reimbursements from other agencies which are provided with most of their administrative services overseas by the Department of State, as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
United States Information Agency	$12,134,380	$11,902,000	$12,200,000
Mutual security activities	14,105,569	14,185,000	16,005,000
Refugee relief program	2,772,115		
Other accounts	21,830,765	25,313,000	25,395,000
Total reimbursable obligations	50,842,829	51,400,000	53,600,000

1. *Executive direction and policy formulation.*—Increases are requested for developing the "Atoms for Peace" program, the Legal Adviser's office, and expanded intelligence collection and analysis.

2. *Conduct of diplomatic and consular relations with foreign countries.*—This includes representation of the United States and its citizens abroad, political and economic negotiations and reporting, issuance of passports and visas, and other services both in the United States and abroad. The estimate anticipates strengthening the Service through provision for mandatory local wage and price increases overseas, and opening 12 new posts including 6 in Africa. Increased training and employee benefits as authorized by the Congress will contribute to a more effective Foreign Service. Staff increases are requested for improved political and economic reporting and supporting services, and for increased consular workloads, one of which is the rise in travel abroad, as reflected in the anticipated increase in passport applications in the United States:

1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
560,711	564,397	690,000	752,000

A 1958 supplemental appropriation is forecast below for administration of the revised Immigration and Nationality Act.

3. *Conduct of diplomatic relations with international organizations.*—Strengthening of the Department's staff in this area results from the expanding membership of international organizations such as the United Nations and the increasing number of issues dealt with by the organizations.

4. *Domestic public information and liaison.*—This provides for informing the American public on international policies and also keeping the Department informed on American attitudes relative to foreign policy and issues.

5. *Central program services.*—These provide personnel and physical security measures, translating and interpreting services, and the coordination of governmental foreign reporting requirements.

6. *Administrative and staff activities.*—This includes administration of a global communications system for all civilian activities of the Government. The increased tempo of diplomatic activity and the increase in the

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ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

number of independent nations has greatly increased the communications workload with a resultant need for additional staff. Anticipated increases in telegraphic average monthly word groups processed in Washington are as follows:

1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
2,200,000	2,900,000	3,045,000	3,200,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	20,965	20,492	21,036
Full-time equivalent of all other positions	76	59	59
Average number of all employees	19,280	20,036	20,573
Number of employees at end of year	20,309	20,515	21,050
Average GS grade and salary	7.1 $5,409	7.2 $5,455	7.2 $5,462
Average grade and salary, grades established by the Foreign Service Act of 1946 (22 U. S. C. 801–1158):			
Foreign Service officers	4.5 $8,914	4.5 $8,865	4.6 $8,820
Foreign Service reserve officers	4.9 $8,249	4.9 $8,309	4.9 $8,370
Foreign Service staff officers	10.8 $4,633	10.7 $4,669	10.7 $4,665
Average salary of ungraded positions	$4,185	$4,166	$4,166
Average salary in foreign countries (local rates)	$1,617	$1,717	$1,825
Personal service obligations:			
Permanent positions	$83,156,619	$87,978,688	$90,999,422
Positions other than permanent	340,842	309,765	308,765
Other personal services	11,817,480	12,257,721	12,734,578
Total personal service obligations	95,314,941	100,546,174	104,042,765
Direct obligations:			
01 Personal services	66,596,197	71,608,860	74,451,034
02 Travel	7,829,910	7,643,335	8,536,521
03 Transportation of things	4,360,224	4,084,554	4,613,241
04 Communication services	2,536,527	2,784,235	3,061,039
05 Rents and utility services	1,693,506	1,916,336	2,293,751
06 Printing and reproduction	791,887	802,426	864,198
07 Other contractual services	2,589,130	3,057,389	3,572,239
Services performed by other agencies	291,879	202,056	205,858
08 Supplies and materials	1,933,848	2,226,760	2,365,415
09 Equipment	2,129,078	1,278,599	2,420,954
11 Grants, subsidies, and contributions	46,561	2,440,716	2,571,637
13 Refunds, awards, and indemnities	11,143	16,775	16,775
15 Taxes and assessments	22,993	26,459	27,338
Total direct obligations	90,832,883	98,088,500	105,000,000
Reimbursable obligations:			
01 Personal services	28,718,744	28,937,314	29,591,731
02 Travel	4,286,528	3,828,316	4,082,025
03 Transportation of things	4,221,588	4,219,643	4,393,529
04 Communication services	2,246,332	2,241,801	2,327,755
05 Rents and utility services	3,311,150	3,419,054	3,545,158
06 Printing and reproduction	167,389	154,261	160,270
07 Other contractual services	2,094,700	2,080,395	2,416,600
Services performed by other agencies	60,888	50,102	50,102
08 Supplies and materials	3,007,750	2,835,392	3,039,226
09 Equipment	2,649,342	2,703,577	3,059,823
11 Grants, subsidies, and contributions	10,777	861,952	862,836
13 Refunds, awards, and indemnities	1,944	1,794	1,665
15 Taxes and assessments	65,697	66,399	69,280
Total reimbursable obligations	50,842,829	51,400,000	53,600,000
Total obligations	141,675,712	149,488,500	158,600,000

REPRESENTATION ALLOWANCES

[Representation allowances:] For representation allowances as authorized by section 901 (3) of the Foreign Service Act of 1946 (22 U. S. C. 1131), [$600,000] *$1,000,000*. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$600,000** Estimate 1959, **$1,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Representation abroad by the Foreign Service (total obligations)	$794,191	$600,000	$1,000,000
Financing:			
Unobligated balance no longer available	$5,809		
Appropriation (new obligational authority)	800,000	$600,000	$1,000,000

Officers of the Foreign Service are reimbursed in part for ceremonial and representational expenses incurred in the conduct of official duties. The increased amounts requested in 1959 will permit the Foreign Service to represent United States national interests and foreign policy more effectively.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$794,191	$600,000	$1,000,000

ACQUISITION OF BUILDINGS ABROAD

[Acquisition of buildings abroad:] For necessary expenses of carrying into effect the Foreign Service Buildings Act, 1926, as amended (22 U. S. C. 292–300), including personal services in the United States and abroad; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158); expenses of attendance at meetings concerned with activities provided for under this appropriation; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $18,500,000, of which not less than [$15,000,000] *$14,639,000* shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, to remain available until expended: *Provided*, That not to exceed [$1,012,000] *$1,000,000* may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$18,500,000** Estimate 1959, **$18,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition and construction:			
(a) Acquisition	$1,810,923	$1,720,967	$1,870,000
(b) Planning and development	978,022	184,000	120,000
(c) Construction	12,571,343	9,753,911	8,235,000
2. Building occupancy expenses:			
(a) Operation, maintenance, and repair	4,240,646	5,120,000	5,400,000
(b) Lease payments	512,653	730,000	750,000
3. Furniture and equipment:			
(a) Initial furnishings	611,385	750,000	750,000
(b) Furniture and household equipment repair and replacement	946,712	800,000	800,000
4. Administrative expenses	917,946	1,000,000	1,000,000
Total obligations	22,589,630	20,058,878	18,925,000
Financing:			
Unobligated balance brought forward	−4,438,959	−1,536,878	−750,000
Advances and reimbursements from—			
Other accounts	−23,119	−25,000	−25,000
Non-Federal sources (22 U. S. C. 292–300 and 40 U. S. C. 471):			
U. S. dollar collections	−250,433	−275,023	−200,000
Dollar conversion of foreign currencies	−413,997	−471,977	−200,000
Unobligated balance carried forward	1,536,878	750,000	750,000
Appropriation (new obligational authority)	19,000,000	18,500,000	18,500,000

The object of the foreign buildings program is to provide consolidated office space to house the Foreign Service and other agencies of the United States Government abroad, and living quarters for American employees in localities where suitable facilities are not available. Through this program the Department has acquired real property valued in excess of $150 million, consisting of some 152 office buildings, 128 principal officer residences, 173 resi-

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dences for senior officers and attachés, and 2,019 staff living units. Since 1946, the program has been financed primarily through the purchase of foreign currency credits held by the Treasury Department resulting from lend-lease settlements, sale of surplus war property, and other sources. This program also finances property leases of 10 years or more (shorter leases are included in "Salaries and expenses" above), procurement of furniture and furnishings, and repair, maintenance, and operating costs of these facilities.

The purpose of the program for acquisition and construction is generally to replace outmoded or otherwise unsatisfactory Government-owned or leased office space. Such space is replaced with structures that are designed specifically to meet the particular needs of the Foreign Service and other overseas Government operations both from the standpoint of conducting efficient operations and of providing adequate security protection. In addition, housing is provided American employees in localities where housing either is not available or is substandard in relation to American living standards.

Along with the 1957 budget the Department presented to the Congress a 10-year buildings program estimated to require approximately $200 million, principally foreign currency holdings of the United States Treasury. Of this amount about $100 million is for operation, maintenance, repair, and servicing costs for present property holdings and for those being acquired, and about $100 million is for acquiring new office and housing facilities. The status of the latter program is as follows:

PROJECTED STATUS OF THE 1957-65 FOREIGN BUILDINGS PROGRAM THROUGH JUNE 30, 1959

[Amounts stated in thousands of U. S. dollars]

Type of project	*Building program 1957–65*	*1957 completion*	*Program goals 1958 Underway*	*1958 Completion*	*1959 Underway*	*1959 Completion*	*Unfunded projects*
Office buildings:							
Number	123	6	13	4	5	1	94
Amount	$53,237	$962	$7,543	$659	$5,030	$782	$38,261
Principal officers' residences:							
Number	109	7	7	2	------	11	82
Amount	$12,952	$768	$1,467	$100	------	$553	$10,064
Senior officers' and attachés' residences:							
Number	428	15	2	6	------	9	396
Amount	$16,740	$750	$90	$300	------	$600	$15,000
Staff housing:							
Units	834	10	122	38	76	------	588
Amount	$17,311	$200	$2,360	$760	$1,534	------	$12,457
Total	$100,240	$2,680	$11,460	$1,819	$6,564	$1,935	$75,782

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	222	222	222
Average number of all employees	163	194	194
Number of employees at end of year	168	222	222
Average GS grade and salary	8.6 $6,422	8.5 $6,402	8.5 $6,402
Average grade and salary, grades established by Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158): Foreign Service staff officers and employees	4.7 $8,209	4.4 $8,713	4.4 $8,713
Average salary of ungraded positions (local employees)	$2,425	$2,367	$2,367
01 Personal services:			
Permanent positions	$879,292	$985,000	$985,000
Other personal services	84,745	99,000	99,000
Total personal services	964,037	1,084,000	1,084,000
02 Travel	130,007	134,000	134,000
03 Transportation	529,685	597,000	597,000
05 Rents and utility services	512,653	730,000	750,000
07 Other contractual services	893,697	1,169,400	1,193,500
Services performed by other agencies	2,483,662	2,840,000	3,020,000
08 Supplies and materials	408,248	689,600	740,500
09 Equipment	1,364,814	1,430,400	1,455,400
10 Lands and structures	15,300,344	11,328,878	9,895,000
11 Grants, subsidies, and contributions	------	52,600	52,600
15 Taxes and assessments	2,483	3,000	3,000
Total obligations	22,589,630	20,058,878	18,925,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Proceeds of Sales of Buildings and Grounds, Foreign Currency, Foreign Service Building Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Expense of sales (total obligations)	$11,352	------	------
Financing:			
Balance brought forward	215,888	$171,977	------
Proceeds of sales (22 U. S. C. 300)	381,438	300,000	$200,000
Dollar conversions credited to "Acquisition of buildings abroad"	−413,997	−471,977	−200,000
Balance carried forward	−171,977	------	------
Total financing	11,352	------	------

Buildings abroad are sold and the proceeds applied toward the acquisition and preservation of other properties. Foreign currency proceeds are placed in this account and expended through "Acquisition of buildings abroad."

Analysis of Expenditures

	1957 actual	1958 estimate	1959 estimate
Obligations incurred	$11,352	------	------
Expenditures	11,352	------	------

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

[Emergencies in the Diplomatic and Consular Service:] For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, to be expended pursuant to the requirement of section 291 of the Revised Statutes (31 U. S. C. 107), $1,000,000. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$1,000,000** Estimate 1959, **$1,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Unforeseen emergencies (total obligations)	$1,452,357	$1,000,000	$1,000,000
Financing:			
Unobligated balance no longer available	272,643	------	------
Appropriation (new obligational authority)	1,725,000	1,000,000	1,000,000

This is used for relief and repatriation loans to United States citizens abroad and for other emergencies of the Department. Repayments of loans are deposited in miscellaneous receipts of the Treasury. In 1957 these funds were used for the evacuation of Government employees, their dependents, and other American citizens from the scene of hostilities in the Middle East.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Unvouchered	$1,452,357	$1,000,000	$1,000,000

PAYMENT TO FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

[Payment to Foreign Service retirement and disability fund:] For payment to the Foreign Service retirement and disability fund as authorized by the Foreign Service Act of 1946 (22 U. S. C. 1061–1116), [$1,667,000] *$2,025,000.* (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$1,667,000** Estimate 1959, **$2,025,000**

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ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

PAYMENT TO FOREIGN SERVICE RETIREMENT AND DISABILITY FUND—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment on Government share of retirement costs (total obligations)	$1,304,000	$1,667,000	$2,025,000
Financing:			
Appropriation (new obligational authority)	1,304,000	1,667,000	2,025,000

The request of $2,025,000 is estimated to equal the Government's net share of the cash disbursements to be made by the fund in 1959.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions (payment to trust fund)	$1,304,000	$1,667,000	$2,025,000

[ADMINISTRATIVE EXPENSES (MUTUAL SECURITY)]

[Administrative expenses: For expenses of the Department of State as authorized by section 411 (c) of the Mutual Security Act of 1954, as amended, $4,577,000.] (*Mutual Security Appropriation Act, 1958.*)

Appropriated 1958, **$4,577,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction and policy formulation	$304,253	$311,785	
2. Conduct of diplomatic and consular relations with foreign countries	3,847,933	3,846,100	
3. Conduct of diplomatic relations with international organizations	198,858	191,510	
4. Domestic public information and liaison	27,000	27,000	
5. Administrative and staff activities	197,960	200,605	
Total obligations	4,576,004	4,577,000	
Financing:			
Comparative transfers from (−) other accounts	−4,576,004		
Appropriation (new obligational authority)		4,577,000	

Funds included in this item were previously appropriated to Administrative expenses, Mutual Security Act, and were allocated to the Department of State to reimburse accounts which provide program policy review, and services to the United States regional office, Paris. The Mutual Security Act of 1956 provided for appropriating these funds directly to the Department of State. The 1959 request will be transmitted later as a part of the Mutual Security appropriation bill and appears below.

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services: Other personal services	$3,850	$3,500	
02 Travel	94,957	89,000	
04 Communication services	100		
06 Printing and reproduction	70		
07 Other contractual services	23,427	9,000	
Services performed by other agencies	4,452,300	4,474,500	
08 Supplies and materials	1,300	1,000	
Total obligations	4,576,004	4,577,000	

EXTENSION AND REMODELING, STATE DEPARTMENT BUILDING

[Extension and remodeling, State Department Building: For expenses necessary for planning, and the extension and remodeling, under the supervision of the General Services Administration, of the State Department Building, Washington, D. C., and for expenses necessary for providing temporary office space, including payment of rent in the District of Columbia, alterations, purchase and installation of air conditioning equipment, to remain available until expended, $2,500,000, to be transferred to the General Services Administration.] (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$2,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Design, supervision, etc	$920,904	$450,000	$290,000
2. Rents and moving expenses	1,159,431	120,569	
3. Construction	38,255,600	1,599,431	3,070,000
Total obligations	40,335,935	2,170,000	3,360,000
Financing:			
Unobligated balance brought forward	−868,377	−5,452,442	−5,782,442
Unobligated balance carried forward	5,452,442	5,782,442	2,422,442
Appropriation (new obligational authority)	44,920,000	2,500,000	

This appropriation provides for remodeling the existing main building of the Department of State and constructing an addition. The completed project will accommodate in one building the present components of the Department, including the International Cooperation Administration. Contracts have been awarded for basic construction and remodeling, and the contract completion date is April 12, 1960. It is expected that the project can be completed within funds already appropriated, at a total cost of $49.2 million.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$1,057	$1,000	$1,000
03 Transportation of things	943	1,000	1,000
04 Communication services	3	100	100
06 Printing and reproduction	30,661	2,500	2,500
07 Other contractual services	2,146,306	565,469	284,900
08 Supplies and materials	147	500	500
09 Equipment	14,046	50,000	100,000
10 Lands and structures	38,142,772	1,549,431	2,970,000
Total obligations	40,335,935	2,170,000	3,360,000

Permanent authorizations:

REPLACEMENT OF PERSONAL PROPERTY SOLD ABROAD

(Indefinite special account)

Appropriated (estimate) 1958, **$347,562** Estimate 1959, **$291,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Replacement of passenger vehicles abroad (total obligations)	$361,801	$425,060	$291,000
Financing:			
Unobligated balance brought forward	−164,094	−77,498	
Unobligated balance carried forward	77,498		
Appropriation (new obligational authority)	275,205	347,562	291,000

Proceeds from the sale of passenger motor vehicles of the Foreign Service abroad are available for replacement of such vehicles. It is anticipated that the estimated proceeds in 1959 will replace 115 vehicles.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
03 Transportation of things	$36,505	$18,760	$63,860
09 Equipment	325,296	406,300	227,140
Total obligations	361,801	425,060	291,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Representation by the Foreign Service of the United States abroad:			
Mutual security program (Department of Defense)	$151,329	$165,800	$165,800
Mutual security program (administrative expenses)	74,153	66,600	66,600
International Cooperation Administration	1,800		
Department of Agriculture	499	600	600
2. International educational exchange (International Cooperation Administration)	320,098	329,992	329,992
3. Department of Defense	3,009,793	2,767,164	2,767,164
4. Miscellaneous services to other accounts	21,211	14,413	14,413
Total obligations	3,578,883	3,344,569	3,344,569
Financing:			
Unobligated balance brought forward	134,819	132,496	42,300
Advances and reimbursements from—			
Other accounts	3,610,040	3,244,373	3,292,269
Non-Federal sources (40 U. S. C. 481 (c))	5,912	10,000	10,000
Unobligated balance carried forward	−132,496	−42,300	
Unobligated balance no longer available	−39,392		
Total financing	3,578,883	3,344,569	3,344,569

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	461	427	427
Full-time equivalent of all other positions	2	2	2
Average number of all employees	406	399	399
Number of employees at end of year	425	400	400
Average GS grade and salary	8.3 $5,978	8.4 $5,969	8.4 $5,969
Average grade and salary, grades established by the Foreign Service Act of 1946 (22 U. S. C. 801–1158):			
Foreign Service officers	6.0 $6,800	6.0 $6,695	6.0 $6,695
Foreign Service reserve officers	5.7 $6,873	5.6 $7,027	5.6 $7,027
Foreign Service staff officers	11.7 $4,165	12.2 $3,831	12.2 $3,831
Average salary of ungraded positions	$3,778	$3,778	$3,778
01 Personal services:			
Permanent positions	$2,415,887	$2,399,441	$2,399,441
Positions other than permanent	14,670	10,000	10,000
Other personal services	138,212	19,768	19,768
Total personal services	2,568,769	2,429,209	2,429,209
02 Travel	42,523	45,720	45,720
03 Transportation of things	318	300	300
04 Communication services	10,290	913	913
06 Printing and reproduction	4,738	6,000	6,000
07 Other contractual services	340,840	294,628	294,628
Services performed by other agencies	120,760	127,720	127,720
08 Supplies and materials	38,271	35,000	35,000
09 Equipment	233,291	20,500	20,500
11 Grants, subsidies, and contributions	216,984	383,157	383,157
15 Taxes and assessments	2,099	1,422	1,422
Total obligations	3,578,883	3,344,569	3,344,569

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1957 actual	1958 estimate	1959 estimat
Program by activities:			
Conduct of diplomatic and consular relations with foreign countries (total obligations)		$650,000	
Financing:			
Proposed supplemental appropriation		$650,000	

Under existing legislation, 1958.—This is to implement Public Law 85–316 which amended the Immigration and Nationality Act to permit the issuance of approximately 80,000 visas to relatives of United States citizens or alien specialists now in the United States, orphans, and refugees or expellees from Iron Curtain countries.

ADMINISTRATIVE EXPENSES (MUTUAL SECURITY)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction and policy formulation			$311,785
2. Conduct of diplomatic and consular relations with foreign countries			3,846,100
3. Conduct of diplomatic relations with international organizations			191,510
4. Domestic public information and liaison			27,000
5. Administrative and staff activities			200,605
Total obligations			4,577,000
Financing:			
Proposed supplemental appropriation			4,577,000

Under existing legislation, 1959.—Funds to provide program policy review, and support services to the United States regional office, Paris, will be requested in the Mutual Security appropriation bill in the same amount for 1959 as appropriated for 1958.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Current authorizations:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

[Contributions to international organizations:] For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, [$35,899,243] *$41,889,151.*

[Notwithstanding the provisions of section 2 of Public Law 689, Eighty-fourth Congress, an additional contribution of $5,696 to the North Atlantic Treaty Organization Parliamentary Conference is authorized out of funds previously appropriated for "Contributions to International Organizations".] *(United Nations and specialized agencies—(1) 22 U. S. C. 287–287e; (2) 22 U. S. C. 287m–287t; (3) 61 Stat. 1180; (4) 22 U. S. C. 290–290d; 69 Stat. 288; (5) 22 U. S. C. 279–279d; 70 Stat. 559; Public Law 85–141, approved August 15, 1957; (6) 22 U. S. C. 271, 272–272b; (7) 6 U. S. T. 1213; T. I. A. S. 3266; (8) T. I. A. S. 2052, 1 U. S. T. 281–294; Inter-American organizations—(1) 22 U. S. C. 269b; 70 Stat. 696; (2) 56 Stat. 1303; (3) 58 Stat. 1169; (4) 22 U. S. C. 273; 68 Stat. 1008; (5) 22 U. S. C. 280j, 280k; (6) 44 Stat. 2031; (7) T. I. A. S. 2361, 2 U. S. T. 2394; articles 11 and 14 of part III of the Inter-American Radio Convention; Regional organizations—(1) 22 U. S. C. 280h, 280i; (2) 22 U. S. C. 280, 280b; (3) 22 U. S. C. 1928 and 1789; 63 Stat. 2241; (4) 22 U. S. C. 1928a, 1928b; (5) T. I. A. S. 3170; Other international organizations—(1) 22 U. S. C. 276, 276a; (2) 14 Stat. 679; (3) 32 Stat. 1779, 36 Stat. 2199; (4) 53 Stat. 1748; (5) 26 Stat. 1520; Protocol Modifying the Convention of July 5, 1890; (6) 20 Stat. 709, 43 Stat. 1686; (7) 22 U. S. C. 274; (8) 22 U. S. C. 275; (9) T. I. A. S. 3177; (10) 7 U. S. C. 1642 (g); International Wheat Agreement approved by the Senate July 11, 1956 and ratified by the President July 13, 1956; (11) 71 Stat. 453; T. I. A. S. 3873; General—*

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INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued

Current authorizations—Continued

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS—Continued

22 U. S. C. 262a; Department of State Appropriation Act, 1958; Supplemental Appropriation Act, 1958.)

Appropriated 1958, **$35,899,243** Estimate 1959, **$41,889,151**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
United Nations and specialized agencies:			
1. United Nations	$20,107,989	$16,361,047	$16,621,922
2. United Nations Educational, Scientific, and Cultural Organization	3,152,574	3,382,999	3,401,102
3. International Civil Aviation Organization	1,768,911	1,969,530	2,446,250
4. World Health Organization	3,410,040	3,867,610	4,666,480
5. Food and Agriculture Organization	1,994,863	1,980,245	3,000,000
6. International Labor Organization	1,638,860	1,750,000	1,750,000
7. International Telecommunication Union	142,968	153,200	153,200
8. World Meteorological Organization	59,660	63,169	66,050
Subtotal	32,275,865	29,527,800	32,105,004
Inter-American organizations:			
1. Inter-American Children's Institute	10,000	22,000	25,000
2. Inter-American Indian Institute	4,800	4,800	4,800
3. Inter-American Institute of Agricultural Sciences	210,472	214,008	218,021
4. Pan American Institute of Geography and History	48,780	48,780	48,780
5. Pan American Railway Congress Association	5,000	5,000	5,000
6. Pan American Sanitary Organization	1,386,000	1,518,000	1,914,000
7. Organization of American States	2,594,083	2,829,609	3,733,782
8. Inter-American Radio Office	34,092	5,682	
Subtotal	4,293,227	4,647,879	5,949,383
Regional organizations:			
1. Caribbean Commission	134,973	140,898	137,380
2. South Pacific Commission	69,796	69,420	68,673
3. North Atlantic Treaty Organization (NATO)	1,150,000	1,300,000	1,300,000
4. North Atlantic Treaty Organization Parliamentary Conference	6,000	6,000	6,000
5. Southeast Asia Treaty Organization (SEATO)	18,757	100,000	186,000
Subtotal	1,379,526	1,616,318	1,698,053
Other international organizations:			
1. Interparliamentary Union	18,000	18,000	18,000
2. Cape Spartel and Tangier Light	2,026	2,026	2,026
3. International Bureau of the Permanent Court of Arbitration	1,241	1,282	1,282
4. International Bureau for the Protection of Industrial Property	1,767	1,767	1,767
5. International Bureau for the Publication of Customs Tariffs	2,233	8,658	8,658
6. International Bureau of Weights and Measures	14,999	14,700	14,700
7. International Council of Scientific Unions and Associated Unions	9,000	9,000	9,000
8. International Hydrographic Bureau	9,997	9,997	9,997
9. International Sugar Council	14,406	17,150	17,150
10. International Wheat Council	24,616	24,666	24,666
11. International Atomic Energy Agency			2,029,465
Subtotal	98,285	107,246	2,136,711
Total obligations	38,046,903	35,899,243	41,889,151
Financing:			
Comparative transfers from (−) other accounts	−18,757		
Unobligated balance no longer available	548		
Appropriation (new obligational authority)	38,028,694	35,899,243	41,889,151

The United States contributes its share of the expenses of the United Nations and 7 of its specialized agencies, 7 inter-American organizations, 5 regional organizations, and 11 other organizations including for the first time the International Atomic Energy Agency in which the United States has accepted membership to promote the President's proposals with regard to the peaceful uses of atomic energy.

The growing role of international organizations in world affairs is accompanied by added responsibilities. Along with the costs of the new responsibilities, there are higher operating costs.

The estimated increase for the United Nations is largely accounted for by two nonrecurring items, the Conference on Law of the Sea and the Second Conference on Peaceful Uses of Atomic Energy, plus increases in staff costs, offset by a reduction from 33.3% to 32.5% in the assessment which the United States pays. A supplemental is anticipated in 1958 for the United States share of the United Nations Emergency Force in the Middle East. It appears below.

Other major contribution increases are for: (1) the International Civil Aviation Organization, to keep pace with modern aviation requirements; (2) the World Health Organization, to meet the need in certain areas of the world for improved health techniques; (3) the Food and Agriculture Organization, to meet the desire of producers throughout the world to increase the crop yield through the introduction of improved agricultural practices; and (4) the Organization of American States, to put into effect some of the programs recommended by the Inter-American Committee of Presidential Representatives.

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services: Services performed by other agencies	$370,000	$400,000	$400,000
11	Grants, subsidies, and contributions	37,676,903	35,499,243	41,489,151
	Total obligations	38,046,903	35,899,243	41,889,151

MISSIONS TO INTERNATIONAL ORGANIZATIONS

[Missions to international organizations:] For expenses necessary for permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress, including expenses authorized by the pertinent Acts and conventions providing for such representation; attendance at meetings of societies or associations concerned with the work of the organizations; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158); hire of passenger motor vehicles; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); and purchase of uniforms for guards and chauffeurs; [$1,357,500] *$1,700,000. (Department of State Appropriation Act, 1958.)*

Appropriated 1958, **$1,357,500** Estimate 1959, **$1,700,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Mission to the United Nations	$853,686	$903,700	$972,500
2. Resident delegation for international organizations, Geneva	180,259	237,300	239,500
3. Representative to International Civil Aviation Organization	51,284	83,000	78,000
4. American group of the Interparliamentary Union	15,000	15,000	15,000
5. National Commission of the Pan American Railway Congress Association		500	500
6. Mission to the Organization of American States	60,881	88,000	89,500
7. North Atlantic Treaty Organization Parliamentary Conference	26,450	30,000	30,000
8. Mission to the International Atomic Energy Agency			275,000
Total obligations	1,187,560	1,357,500	1,700,000
Financing:			
Unobligated balance no longer available	99,440		
Appropriation (new obligational authority)	1,287,000	1,357,500	1,700,000

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The United States is represented at certain international organizations by missions to insure presentation of United States policy, to provide continuous reporting, and to maintain contacts with international secretariats and other delegations. The 1959 appropriation includes furnishings and equipment for new office space to be occupied by the mission to the United Nations and for the financing of the new mission to the International Atomic Energy Agency which is being provided for in 1958 by a supplemental estimate under "International contingencies" proposed for later transmission and appears below. The general increase of the activities of the United Nations, plus enlargement of its membership from 60 to 81 nations, have expanded the workload of the mission.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	132	132	148
Full-time equivalent of all other positions	1	1	1
Average number of all employees	122	125	140
Number of employees at end of year	120	129	145
Average GS grade and salary	7.4 $5,515	8.0 $5,874	8.2 $5,914
Average grade and salary, grades established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158):			
Foreign Service officers	3.1 $11,268	2.9 $12,129	2.7 $12,620
Foreign Service reserve officers	2.6 $11,863	2.0 $13,400	2.3 $13,231
Foreign Service staff officers and employees	10.9 $4,662	10.9 $4,751	10.8 $4,905
Average salary of ungraded positions	$4,243	$4,166	$4,346
01 Personal services:			
Permanent positions	$831,687	$891,482	$1,062,273
Positions other than permanent	10,765	16,000	16,000
Other personal services	70,374	66,648	95,982
Total personal services	912,826	974,130	1,174,255
02 Travel	65,561	40,875	58,550
03 Transportation of things	6,901	23,500	25,500
04 Communication services	61,204	55,500	70,250
05 Rents and utility services	23,602	35,000	45,000
06 Printing and reproduction	2,809	2,800	3,500
07 Other contractual services	22,693	16,845	20,845
Services performed by other agencies	51,100	83,000	115,000
Representation and entertainment	20,685	23,000	28,000
08 Supplies and materials	13,579	6,800	12,100
09 Equipment	6,350	1,800	47,250
11 Grants, subsidies, and contributions		48,750	54,250
15 Taxes and assessments	250	500	500
Undistributed		45,000	45,000
Total obligations	1,187,560	1,357,500	1,700,000

INTERNATIONAL CONTINGENCIES

[International contingencies:] For necessary expenses of participation by the United States upon approval by the Secretary of State, in international activities which arise from time to time in the conduct of foreign affairs and for which specific appropriations have not been provided pursuant to treaties, conventions, or special Acts of Congress, including personal services without regard to civil service and classification laws; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158); hire of passenger motor vehicles; contributions for the share of the United States in expenses of international organizations; and printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); [$1,500,000] *$2,400,000*, of which not to exceed a total of $100,000 may be expended for representation allowances as authorized by section 901 (3) of the Act of August 13, 1946 (22 U. S. C. 1131) and for entertainment. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$1,500,000** Estimate 1959, **$2,400,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Participation in international conferences:			
(*a*) Meetings of international organizations	$1,221,337	$1,068,995	$1,732,400
(*b*) Other international conferences	343,730	163,170	313,100
Total participation in international conferences	1,565,067	1,232,165	2,045,500
Program by activities—Continued			
2. United States missions on special assignments:			
(*a*) United States-Italian Conciliation Commission	$37,085	$40,000	$40,000
(*b*) United States-Japanese Property Mission		3,000	10,000
Total, United States missions on specials assignments	37,085	43,000	50,000
3. Contributions to temporary international organizations:			
Baghdad Pact		100,000	175,000
Central Commission for the Rhine River	12,900	14,000	14,000
General Agreement on Tariffs and Trade	74,520	87,000	90,000
International Cotton Advisory Committee	8,000	12,500	12,500
International Rubber Study Group	3,362	2,123	3,700
International Seed Testing Association	294	300	300
International Tin Study Group	3,478		
Suez Canal Users Association		8,912	9,000
Total, contributions to temporary international organizations	102,554	224,835	304,500
Total obligations	1,704,706	1,500,000	2,400,000
Financing:			
Comparative transfers to other accounts	18,757		
Unobligated balance no longer available	1,537		
Appropriation (new obligational authority)	1,725,000	1,500,000	2,400,000

This appropriation provides for United States participation in certain scheduled and recurring international activities and for emergency conferences and other activities arising in the conduct of foreign affairs. This includes participation in: (1) international conferences; (2) special missions; (3) new or temporary international organizations, including resident United States missions at the headquarters of certain international organizations and contributions to those organizations. The additional amount requested is primarily to finance participation in the following international conferences and meetings: Peaceful Uses of Atomic Energy, Biennial General Conference of UNESCO, and certain international telecommunication groups.

A supplemental request is proposed for later submission to provide for participation in 1958 in the new International Atomic Energy Agency. It appears below.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	5		
Full-time equivalent of all other positions	4		
Average number of all employees	7		
Number of employees at end of year	5		
Average grade and salary, grades established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158):			
Foreign Service reserve officers	1.0 $15,000		
Foreign Service staff officers and employees	11.0 $4,480		
Average salary of ungraded positions (local employees)	$2,280		
01 Personal services:			
Permanent positions	$24,065		
Positions other than permanent	30,989		
Other personal services	58,101		
Total personal services	113,155		
02 Travel	1,176,139		
03 Transportation of things	3,305		
04 Communication services	11,951		
05 Rents and utility services	28,674		
06 Printing and reproduction	1,815		
07 Other contractual services	101,504		
Services performed by other agencies	68,300		
Representation and entertainment	52,464		
08 Supplies and materials	30,272		
09 Equipment	14,463		
11 Grants, subsidies, and contributions	102,554		
15 Taxes and assessments	110		
Undistributed		$1,500,000	$2,400,000
Total obligations	1,704,706	1,500,000	2,400,000

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INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued

Current authorizations—Continued

[ELEVENTH WORLD HEALTH ASSEMBLY OF THE WORLD HEALTH ORGANIZATION]

[For necessary expenses incident to organizing and holding the Eleventh World Health Assembly in the United States, as authorized by the Act of July 30, 1956 (Public Law 832), $332,500.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$332,500**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Conference expense (total obligations)		$332,500	
Financing:			
Appropriation (new obligational authority)		332,500	

This appropriation is to defray expenses incident to organizing and holding the Eleventh World Health Assembly of the World Health Organization in the United States during the 1958 fiscal year.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Undistributed		$332,500	

Proposed for later transmission:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
United Nations and specialized agencies: 1. United Nations (total obligations)		$12,000,000	
Financing:			
Proposed supplemental appropriation		12,000,000	

Under existing legislation, 1958.—It is anticipated that an additional appropriation of $12 million will be requested to meet the United States share of funds being assessed to finance the deficit incurred by the United Nations Emergency Force in the Middle East for calendar year 1957 and to maintain it in calendar year 1958.

INTERNATIONAL CONTINGENCIES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Participation in international conferences		$50,000	
3. Representation to International Atomic Energy Agency		250,000	
Total obligations		300,000	
Financing:			
Proposed supplemental appropriation		300,000	

Under existing legislation, 1958.—The supplemental appropriation would provide for first year's participation in the activities of the International Atomic Energy Agency. The continuing participation will be financed under "Missions to international organizations."

INTERNATIONAL COMMISSIONS

Current authorizations:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

The Commission consists of a United States section, with headquarters at El Paso, Tex., and a Mexican section, with headquarters at Ciudad Juarez, Chihuahua, and has the status of an international body. It was created in 1889 by the United States and Mexico to provide a practical means for solving mutual boundary problems.

For expenses necessary to enable the United States to meet its obligations under the treaties of 1884, 1889, 1905, 1906, 1933, and 1944 between the United States and Mexico, and to comply with the other laws applicable to the United States Section, International Boundary and Water Commission, United States and Mexico, including operation and maintenance of the Rio Grande rectification, canalization, flood control, bank protection, water supply, power, irrigation, boundary demarcation, and sanitation projects; detailed plan preparation and construction (including surveys and operation and maintenance and protection during construction); Rio Grande emergency flood protection; expenditures for the purposes set forth in sections 101 through 104 of the Act of September 13, 1950 (22 U. S. C. 277d–1–277d–4); purchase of [four] *three* passenger motor vehicles for replacement only; purchase of planographs and lithographs; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); and leasing of private property to remove therefrom sand, gravel, stone, and other materials, without regard to section 3709 of the Revised Statutes, as amended (41 U. S. C. 5); as follows: (*Department of State Appropriation Act, 1958.*)

SALARIES AND EXPENSES

[Salaries and expenses:] For salaries and expenses not otherwise provided for, including examinations, preliminary surveys, and investigations, $505,000. (*Treaties of Feb. 2, 1848, Dec. 30, 1853, Nov. 12, 1884, Mar. 1, 1889, Mar. 20, 1905, May 21, 1906, Feb. 1, 1933, Feb. 3, 1944; U. S. C. 277–277e; Act of Sept. 13, 1950, Public Law 786; Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$505,000** Estimate 1959, **$505,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. General administration	$282,879	$309,500	$309,500
2. General engineering	142,450	152,000	152,000
3. Project investigations:			
(*a*) Lower Colorado River flood control	14,793	21,000	21,000
(*b*) Tijuana River development	3,884	6,200	6,200
(*c*) Tijuana Valley sanitation	1,545	6,300	6,300
(*d*) Santa Cruz River development	12,338	10,500	10,500
(*e*) Lower Rio Grande control dams	12,916		
(*f*) Douglas-Agua Prieta sanitation	665		
Total operating costs	471,470	505,500	505,500
Depreciation included above (−)		−1,000	−1,000
Total operating costs, funded	471,470	504,500	504,500
Capital outlay:			
4. Operating program	2,250	500	500
Total costs, funded	473,720	505,000	505,000
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	8,620		
Total program (obligations)	482,340	505,000	505,000
Financing:			
Unobligated balance no longer available	23,660		
Appropriation (new obligational authority)	506,000	505,000	505,000

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This appropriation provides for (1) administration of treaties and agreements in force, and negotiation of new agreements as the need arises; (2) technical guidance and supervision of accounting of boundary waters and international projects, and general engineering studies; (3) preliminary project investigations. Also included is capital outlay for "4. Operating program."

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Stores (goods unconsumed by projects)	$275	$131	$131	$131
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,974	6,056	6,056	6,056
Total selected resources at end of year	2,249	6,187	6,187	6,187
Selected resources at start of year (−)		−2,249	−6,187	−6,187
Adjustments of selected resources reported at start of year		93	.....	.....
Increase in selected resources		4,031	.....	.....
Property or services transferred out without charge, net		4,589	.....	.....
Obligations incurred for costs of other years, net		8,620	.....	.....

Object Classification

		1957 actual		1958 estimate		1959 estimate
	Total number of permanent positions	73		75		75
	Full-time equivalent of all other positions	1		1		1
	Average number of all employees	72		74		74
	Number of employees at end of year	68		74		74
	Average GS grade and salary	7.8	$5,983	7.7	$5,861	7.7	$5,861
	Average salary of ungraded positions		$2,611		$3,764		$3,764
01	Personal services:						
	Permanent positions		$426,134		$433,335		$433,335
	Positions other than permanent		861		1,000		1,000
	Other personal services		15,790		16,975		16,975
	Total personal services		442,785		451,310		451,310
02	Travel		9,123		5,440		5,440
03	Transportation of things		1,593		1,500		1,500
04	Communication services		5,780		5,700		5,700
05	Rents and utility services		900		100		100
06	Printing and reproduction		1,512		1,000		1,000
07	Other contractual services		4,779		4,350		4,350
08	Supplies and materials		10,035		8,000		8,000
09	Equipment		5,711		500		500
11	Grants, subsidies, and contributions		.....		27,000		27,000
13	Refunds, awards, and indemnities		20		.....		.....
15	Taxes and assessments		102		100		100
	Total obligations		482,340		505,000		505,000

OPERATION AND MAINTENANCE

[Operation and maintenance:] For operation and maintenance of projects or parts thereof, as enumerated above, including gaging stations, [$1,533,000] *$1,570,000*: *Provided*, That expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89). (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$1,533,000** Estimate 1959, **$1,570,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. El Paso projects	$491,372	$571,900	$575,940
2. Lower Rio Grande flood-control project	374,935	431,800	449,980
3. Falcon dam and powerplant	198,786	231,900	239,180
4. International gaging stations	200,253	222,500	245,000
Total operating costs	1,265,346	1,458,100	1,510,100
Depreciation included above (−)	−13,451	−96,500	−111,500
Total operating costs, funded	1,251,895	1,361,600	1,398,600
Program by activities—Continued			
Capital outlay:			
5. Replacement of equipment	$227,910	$171,400	$171,400
Total costs, funded	1,479,805	1,533,000	1,570,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−22,925	.....	.....
Total program (obligations)	1,456,880	1,533,000	1,570,000
Financing:			
Unobligated balance no longer available	6,120	.....	.....
Appropriation (new obligational authority)	1,463,000	1,533,000	1,570,000

This appropriation finances the costs of operation and maintenance of the American Dam and Canal, El Paso-Rio Grande canal projects, lower Rio Grande flood control and bank protection projects, Falcon Dam and powerplant, and stream gaging stations on the international rivers and tributaries.

5. *Replacement of equipment.*—Systematic replacement of heavy-duty maintenance equipment is provided.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: (inventories and items on order):				
Stores (goods unconsumed by projects)	$158,995	$146,717	$146,717	$146,717
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	34,198	21,096	21,096	21,096
Total selected resources at end of year	193,193	167,813	167,813	167,813
Selected resources at start of year (−)		−193,193	−167,813	−167,813
Adjustment of selected resources at start of year		1,297	.....	.....
Decrease (−) in selected resources		−24,083	.....	.....
Property or service transferred out without charge, net		1,158	.....	.....
Costs financed from obligations of other years, net (−)		−22,925	.....	.....

Object Classification

		1957 actual		1958 estimate		1959 estimate
	Total number of permanent positions	249		257		260
	Full-time equivalent of all other positions	2		6		6
	Average number of all employees	247		248		254
	Number of employees at end of year	241		248		254
	Average GS grade and salary	6.0	$4,993	6.0	$5,014	6.0	$4,996
	Average salary of ungraded positions		$3,661		$3,942		$3,942
01	Personal services:						
	Permanent positions		$990,663		$1,018,700		$1,047,200
	Positions other than permanent		4,204		18,350		18,350
	Other personal services		14,062		18,920		18,920
	Total personal services		1,008,929		1,055,970		1,084,470
02	Travel		9,403		4,050		4,050
03	Transportation of things		7,598		7,550		7,550
04	Communication services		19,895		16,150		16,150
05	Rents and utility services		15,015		14,200		14,200
06	Printing and reproduction		12		50		50
07	Other contractual services		46,015		14,000		14,000
	Services performed by other agencies		319		.....		.....
08	Supplies and materials		175,520		201,500		210,000
09	Equipment		190,520		173,500		173,500
10	Lands and structures		95		.....		.....
11	Grants, subsidies, and contributions		.....		62,500		62,500
13	Refunds, awards, and indemnities		95		.....		.....
15	Taxes and assessments		576		1,530		1,530
	Subtotal		1,473,992		1,551,000		1,588,000
	Deduct quarters charges		17,112		18,000		18,000
	Total obligations		1,456,880		1,533,000		1,570,000

CONSTRUCTION

[Construction:] For detailed plan preparation and construction of projects authorized by the Convention concluded February 1,

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INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO—Continued

CONSTRUCTION—continued

1933, between the United States and Mexico, the Acts approved August 19, 1935, as amended (22 U. S. C. 277–277f), August 29, 1935 (49 Stat. 961), June 4, 1936 (49 Stat. 1463), June 28, 1941 (22 U. S. C. 277f), September 13, 1950 (22 U. S. C. 277d–1–9), and the projects stipulated in the treaty between the United States and Mexico signed at Washington on February 3, 1944, [$300,000] *$1,000,000*, to remain available until expended: *Provided*, That no expenditures shall be made for the lower Rio Grande flood-control project for construction on any land, site, or easement in connection with this project except such as has been acquired by donation and the title thereto has been approved by the Attorney General of the United States: *Provided further*, That the Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the costs of said dam as shall have been allocated to such purposes by the Secretary of State. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$300,000** Estimate 1959, **$1,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1959 financing			
	Total estimate	To June 30, 1956	1957 actual	1958 estimate	1959 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1959	Appropriation required to complete
Program by activities:									
1. Rio Grande international dams program:									
(a) Falcon Dam and powerplant	$36,425,102	$35,018,832	$47,549	$1,358,721					
(b) Upper dam (Diablo Dam and Reservoir)	1,552,424	1,355,729	88,416	108,279					
2. Lower Rio Grande flood control project: Anzalduas Dam and related works	6,720,354	127,542	696,758	1,693,821	$2,308,982	$8,982		$1,000,000	$1,893,251
Total program costs	44,697,880	36,502,103	832,723	3,160,821	2,308,982	8,982		1,000,000	1,893,251
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)			−19,278	−199,322	−8,982				
Total program (obligations)			813,445	2,961,499	2,300,000				
Financing:									
Unobligated balance brought forward			−4,774,944	−3,961,499	−1,300,000				
Unobligated balance carried forward			3,961,499	1,300,000					
Appropriation (new obligational authority)				300,000	1,000,000				

All construction activities of the United States section of the Commission are financed from this appropriation.

1. *Rio Grande dams.*—Construction of Falcon Dam is functionally complete; only miscellaneous cleanup work remains. The land-acquisition program under the jurisdiction of the Department of Justice will continue through 1958. An engineering feasibility report is currently being prepared for the Diablo Dam and Reservoir, the second major international storage structure contemplated by the 1944 water treaty. These operations are financed from unobligated balances of prior-year funds.

2. *Lower Rio Grande flood control.*—The appropriation of $1,000,000 will provide additional funds for construction of Anzalduas Dam as a part of the lower Rio Grande flood control project. The dam is designed to effect equitable division of floodwaters from the river to floodways on each side of the river. Construction of the dam began in March 1956. The United States share of the total cost of the dam and related works is estimated to amount to $6,720,354.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$1,322	$414		
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	96,311	118,432	$2,142	
Equipment (acquisition value of facilities used on projects, less depreciation charged to project costs)	129,949	89,458	6,840	
Total selected resources at end of year	227,582	208,304	8,982	
Selected resources at start of year (−)		−227,582	−208,304	−$8,982
Costs financed from obligations of other years, net (−)	−19,278	−199,322	−8,982	

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	50	30	21
	Full-time equivalent of all other positions	1	3	1
	Average number of all employees	46	30	21
	Number of employees at end of year	25	25	21
	Average GS grade and salary	6.5 $5,189	7.2 $5,608	6.5 $5,137
	Average salary of ungraded positions	$3,202	$2,267	$2,267
01	Personal services:			
	Permanent positions	$203,300	$146,574	$95,000
	Positions other than permanent	2,206	12,000	2,000
	Other personal services	7,483	3,290	3,300
	Total personal services	212,989	161,864	100,300
02	Travel	12,589	9,120	5,000
03	Transportation of things	2,420	2,500	1,000
04	Communication services	4,001	4,000	3,000
05	Rents and utility services	3,555	2,500	500
06	Printing and reproduction	39		
07	Other contractual services	29,662	35,600	5,000
	Services performed by other agencies	952	7,000	1,000
08	Supplies and materials	12,712	12,000	5,000
09	Equipment	5,412	1,500	1,500
10	Lands and structures	529,152	2,715,715	2,173,600
11	Grants, subsidies, and contributions		7,900	4,000
14	Interest	1,545	2,000	
15	Taxes and assessments	367	100	100
	Subtotal	815,395	2,961,799	2,300,000
	Deduct quarters charges	1,950	300	
	Total obligations	813,445	2,961,499	2,300,000

RIO GRANDE EMERGENCY FLOOD PROTECTION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Emergency repairs (total costs)	$1,291	$64,207	$50,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,291		
Total program (obligations)		64,207	50,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$114,207	−$114,207	−$50,000
Unobligated balance carried forward	114,207	50,000	
Appropriation (new obligational authority)			

1. *Emergency repairs.*—Provides funds for use in flood emergencies affecting structures erected for protection of properties in the United States valued at nearly $1 billion. No new funds are requested for this purpose as emergencies can be met from other appropriations (70 Stat. 302).

2. *Relation of costs to obligations.*—The 1956 year-end balance of unpaid undelivered orders was $1,291.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Funds available for emergencies		$64,207	$50,000

American Sections, International Commissions

For expenses necessary to enable the President to perform the obligations of the United States pursuant to treaties between the United States and Great Britain, in respect to Canada, signed January 11, 1909 (36 Stat. 2448), and February 24, 1925 (44 Stat. 2102), the treaty between the United States and Canada signed February 27, 1950, including stenographic reporting services by contract; hire of passenger motor vehicles; [$330,000] *$325,000*, to be disbursed under the direction of the Secretary of State, and to be available also for additional expenses of the American Sections, International Commissions, as hereinafter set forth:

International Joint Commission, United States and Canada, the salary of one Commissioner on the part of the United States who shall serve at the pleasure of the President (the other Commissioners to serve in that capacity without compensation therefor); salaries of clerks and other employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses in attending hearings of the Commission at such places in the United States and Canada as the Commission or the American Commissioners shall determine to be necessary; and special and technical investigations in connection with matters falling within the Commission's jurisdiction: *Provided*, That transfers of funds may be made to other agencies of the Government for the performance of work for which this appropriation is made.

International Boundary Commission, United States, Alaska, and Canada, the completion of such remaining work as may be required under the award of the Alaskan Boundary Tribunal and the existing treaties between the United States and Great Britain; commutation of subsistence to employees while on field duty, not to exceed $8 per day each (but not to exceed $5 per day each when a member of a field party and subsisting in camp); hire of freight and passenger motor vehicles from temporary field employees; and payment for timber necessarily cut in keeping the boundary line clear. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$330,000** Estimate 1959, **$325,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. International Boundary Commission	$75,906	$92,860	$92,860
2. International Joint Commission:			
(*a*) United States Section	43,556	56,140	56,140
(*b*) Special and technical investigations, International Joint Commission:			
(1) Allocation to Public Health Service	75,659	70,300	65,300
(2) Allocation to Geological Survey	96,255	110,700	110,700
Total obligations	291,376	330,000	325,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance no longer available	$4,624		
Appropriation (new obligational authority)	296,000	$330,000	$325,000

These funds are used for payment of the United States share of the expenses of:

1. *The International Boundary Commission.*—This Commission keeps the United States-Canadian boundary marked in accordance with existing treaties. It also maintains boundary vistas by periodic tree cutting.

2. *The International Joint Commission.*—This Commission performs studies of United States-Canadian border matters, such as investigation of water and smoke pollution, done in conjunction with the Public Health Service, and gathering stream flow data, undertaken in cooperation with Geological Survey. It also acts to insure appropriate apportionment of international waters and, upon referral, investigates and makes recommendations for remedial action.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	11	11	12
Full-time equivalent of all other positions	5	7	7
Average number of all employees	14	18	19
Number of employees at end of year	24	24	25
Average GS grade and salary	9.7 $6,948	10 $7,356	9.5 $7,021
01 Personal services:			
Permanent positions	$77,902	$92,683	$95,503
Positions other than permanent	13,097	18,700	18,700
Other personal services	9,911	12,761	12,773
Total personal services	100,910	124,144	126,976
02 Travel	11,024	10,861	8,985
03 Transportation of things	135	200	200
04 Communication services	1,203	1,450	1,220
05 Rents and utility services	432	400	400
06 Printing and reproduction	87	650	650
07 Other contractual services	2,202	3,200	2,135
08 Supplies and materials	1,254	1,500	1,500
09 Equipment	1,645	300	300
11 Grants, subsidies, and contributions		5,870	6,209
15 Taxes and assessments	570	425	425
Total, Department of State	119,462	149,000	149,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	10	9	8
Full-time equivalent of all other positions	1		1
Average number of all employees	10	8	8
Number of employees at end of year	8	9	8
Average GS grade and salary	7.9 $5,872	8.5 $6,236	7.9 $5,842
01 Personal services:			
Permanent positions	$55,436	$46,900	$39,386
Positions other than permanent	4,092	1,250	6,500
Other personal services		150	114
Total personal services	59,528	48,300	46,000
02 Travel	4,552	4,200	4,900
03 Transportation of things	115	1,200	1,100
04 Communication services	2,128	1,400	1,100
05 Rents and utility services	2,571	1,400	1,100
06 Printing and reproduction	168	2,700	550
07 Other contractual services	485	1,200	950
Services performed by other agencies	96,255	110,700	110,700
08 Supplies and materials	5,448	4,800	4,600
09 Equipment	416	2,000	2,000
11 Grants, subsidies, and contributions		3,000	2,900
15 Taxes	248	100	100
Total, allocation accounts	171,914	181,000	176,000
Total obligations	291,376	330,000	325,000
Obligations are distributed as follows:			
Department of State	$119,462	$149,000	$149,000
Department of Health, Education, and Welfare	75,659	70,300	65,300
Department of the Interior	96,255	110,700	110,700

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INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

PASSAMAQUODDY TIDAL POWER SURVEY

For expenses necessary to carry out the provisions of the Act of January 31, 1956 (Public Law 401), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but not to exceed ten temporary employees at any one time, at rates not to exceed [$50] *$100* per diem for individuals; hire of passenger motor vehicles; and expenses of attendance at meetings concerned with the purpose of this appropriation; [$1,344,000] *$616,000*, to remain available until expended. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$1,344,000** Estimate 1959, **$616,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Engineering survey	$793,474	$1,257,526	$524,000
2. Power marketing studies	29,000	59,000	42,000
3. Commercial fishery studies	44,688	55,312	50,000
4. Administration		10,000	30,000
Total obligations	867,162	1,381,838	646,000
Financing:			
Unobligated balance brought forward		−67,838	−30,000
Unobligated balance carried forward	67,838	30,000	
Appropriation (new obligational authority)	935,000	1,344,000	616,000

This appropriation is to complete a survey by the International Joint Commission as to the economic feasibility of a tidal power project at Passamaquoddy Bay, situated between Maine and New Brunswick Province, Canada. It is the purpose of the survey to determine (1) the cost of construction, (2) whether or not such cost would allow hydroelectric power to be produced at a reasonable price, and (3) what contribution such project would make to the national economy and defense.

Three U. S. Government agencies are participating. The Corps of Engineers is investigating powerplant construction and location requirements. The Federal Power Commission, together with the Corps of Engineers, is studying the potential power market and transmission problems. The Fish and Wildlife Service, in cooperation with the Government of Canada, is determining potential effect on fisheries in the area. It is planned to complete the survey in 1959 at a total cost of $2,895,000.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF STATE			
07 Other contractual services: Services performed by other agencies	$29,000	$69,000	$72,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	56	60	60
Full-time equivalent of all other positions	1	6	5
Average number of all employees	28	64	60
Number of employees at end of year	59	66	25
Average GS grade and salary	9.4 $6,697	9.5 $6,757	9.5 $6,839
01 Personal services:			
Permanent positions	$180,615	$391,529	$375,584
Positions other than permanent	4,583	18,345	18,345
Other personal services	8,837	18,003	18,003
Total personal services	194,035	427,877	411,932
02 Travel	23,187	21,300	15,400
03 Transportation of things	1,389	2,100	1,500
04 Communication services	928	1,950	1,500
05 Rents and utility services	8,002	10,500	6,200
07 Other contractual services	470,091	683,752	15,850
Services performed by other agencies	108,952	118,276	74,900
08 Supplies and materials	$13,402	$14,690	$14,690
09 Equipment	18,101	6,500	5,890
11 Grants, subsidies, and contributions		25,523	25,868
13 Refunds, awards, and indemnities		300	200
15 Taxes and assessments	75	70	70
Total, allocation accounts	838,162	1,312,838	574,000
Total obligations	867,162	1,381,838	646,000
Obligations are distributed as follows:			
Department of State	$29,000	$69,000	$72,000
Corps of Engineers, Department of Defense—Civil Functions	793,474	1,257,526	524,000
Fish and Wildlife Service, Department of the Interior	44,688	55,312	50,000

INTERNATIONAL FISHERIES COMMISSIONS

For expenses, not otherwise provided for, necessary to enable the United States to meet its obligations in connection with participation in international fisheries commissions pursuant to treaties or conventions, and implementing Acts of Congress, [$1,600,000] *$1,660,000*: *Provided*, That the United States share of such expenses may be advanced to the respective commissions. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, [a] **$1,680,000** Estimate 1959, **$1,660,000**

[a] Includes $80,000 appropriated in Supplemental Appropriation Act, 1958.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. International Pacific Halibut Commission	$97,170	$109,000	$111,000
2. International Pacific Salmon Fisheries Commission	173,200	261,050	233,000
3. Inter-American Tropical Tuna Commission	352,725	362,500	363,000
4. International Commission for the Northwest Atlantic Fisheries	4,235	5,030	5,250
5. International Whaling Commission	417	600	600
6. International North Pacific Fisheries Commission	12,837	15,470	17,650
7. Great Lakes Fishery Commission	615,000	915,100	915,100
8. Expenses of the United States Commissioners	7,700	11,250	14,400
Total obligations	1,263,284	1,680,000	1,660,000
Financing:			
Unobligated balance no longer available	2,303		
Appropriation (new obligational authority)	1,265,587	1,680,000	1,660,000

These funds cover the United States share of the expenses of seven international fisheries commissions in which it participates. The purpose of these commissions is to determine and undertake measures necessary for the preservation and expansion of fishery stocks.

A new feature of the Great Lakes lamprey control program in 1959 will be the use of specific toxicants which kill lampreys and lamprey larvae. The toxicants, in conjunction with stream barriers used to prevent the predator lamprey from spawning, should hasten the achievement of effective control.

In 1958 restoration of the pink salmon fishery was started.

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$7,700	$11,250	$14,400
11 Grants, subsidies, and contributions	1,255,584	1,668,750	1,645,600
Total obligations	1,263,284	1,680,000	1,660,000

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RESTORATION OF SALMON RUNS, FRASER RIVER SYSTEM, INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Contributions to the International Pacific Salmon Fisheries Commission (total obligations)	$22,500		
Financing:			
Unobligated balance brought forward	−1,910	−$52,880	−$52,880
Recovery of prior year obligations	−73,470		
Unobligated balance carried forward	52,880	52,880	52,880
Appropriation (new obligational authority)			

This fund is maintained to meet emergencies which may occur from time to time in connection with sockeye salmon migration in the Fraser River system.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$22,500		

EDUCATIONAL EXCHANGE

Current authorizations:

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES

[International educational exchange activities:] For necessary expenses, not otherwise provided for, to enable the Department of State to carry out international educational exchange activities, as authorized by the United States Information and Educational Exchange Act of 1948 (22 U. S. C. 1431–1479), and the Act of August 9, 1939 (22 U. S. C. 501), and to administer the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)), the Act of August 24, 1949 (20 U. S. C. 222–224), and the Act of September 29, 1950 (20 U. S. C. 225), including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158); expenses of attendance at meetings concerned with activities provided for under this appropriation; hire of passenger motor vehicles; entertainment within the United States (not to exceed $1,000); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and advance of funds notwithstanding section 3648 of the Revised Statutes as amended; $20,800,000, of which not less than [$6,750,000] *$5,750,000* shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed $1,387,500 may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$20,800,000** Estimate 1959, **$20,800,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Governmental program expenses:			
(a) American republics	$2,498,788	$2,643,969	$2,623,775
(b) Western Europe	7,602,750	7,589,486	7,399,987
(c) Eastern Europe			282,839
(d) Far East	4,529,008	4,090,573	4,150,376
(e) Near East and South Asia	3,181,038	3,648,414	3,502,512
(f) Africa	955,944	1,393,599	1,393,904
2. Grants for private U. S. programs	100,000	150,000	150,000
3. Administrative expenses	1,120,505	1,283,959	1,296,607
Total obligations	19,988,033	20,800,000	20,800,000
Financing:			
Unobligated balance no longer available	11,967		
Appropriation (new obligational authority)	20,000,000	20,800,000	20,800,000

The primary objective of the program is the promotion of United States foreign policy through the exchange of key persons between the United States and over 80 foreign countries in the fields of teaching, study, research, professional and governmental observation, lecturing, and the acquiring of specialized practical experience. Assistance is provided also to American-sponsored schools abroad and to some private exchange projects.

In addition to the dollars appropriated for this program, a portion of the foreign currencies derived from sales abroad of surplus agricultural commodities is made available to finance exchanges of persons. The total resources thus available are shown in the following table:

	1957 actual	*1958 estimate*	*1959 estimate*
Appropriated funds	$19,988,033	$20,800,000	$20,800,000
Foreign currencies generated by surplus commodity sales [1]	937,200	3,505,733	6,325,000
Total	20,925,233	24,305,733	27,125,000

[1] These foreign currencies are set forth in special schedules below.

These funds provide grants for United States and foreign participants by categories, as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Foreign grantees:			
Students	1,980	2,177	2,111
Professors and teachers	1,010	1,055	1,196
Leaders and specialists	1,392	1,006	929
Total	4,382	4,238	4,236
United States grantees:			
Students	905	1,017	1,028
Professors and teachers	840	947	1,033
Specialists	199	150	166
Total	1,944	2,114	2,227
Total grantees	6,326	6,352	6,463

Exchange of persons programs with eastern European countries and the Soviet Union will be initiated in 1959, contingent upon the success of current negotiations with the Soviet Union on the renewal of cultural contacts.

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	234	265	265
Average number of all employees	204	246	257
Number of employees at end of year	234	260	260
Average GS grade and salary	8.0 $5,801	7.9 $5,755	7.9 $5,723
Average grade and salary, grades established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158): Foreign Service officers	5.9 $6,948	6.1 $6,761	6.0 $6,844
01 Personal services:			
Permanent positions	$1,217,746	$1,447,329	$1,505,788
Other personal services	45,035	50,081	47,305
Total personal services	1,262,781	1,497,410	1,553,093
02 Travel	62,791	80,000	85,000
07 Other contractual services	2,159,104	2,403,514	2,328,871
Services performed by other agencies	1,719,256	3,486,000	3,464,000
11 Grants, subsidies, and contributions	13,407,689	13,332,198	13,368,136
15 Taxes and assessments	714	878	900
Total, Department of State	18,612,335	20,800,000	20,800,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	50		
Average number of all employees	45		
Number of employees at end of year	48		
Average GS grade and salary	7.8 $5,689		
01 Personal services:			
Permanent positions	$253,970		
Positions other than permanent	1,584		
Other personal services	242		
Total personal services	255,796		
02 Travel	14,480		
03 Transportation of things	15		

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EDUCATIONAL EXCHANGE—Continued

Current authorizations—Continued

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES—Con.

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
	ALLOCATION ACCOUNTS—continued			
04	Communication services	$11,043		
06	Printing and reproduction	4,212		
07	Other contractual services	6,873		
08	Supplies and materials	3,932		
09	Equipment	1,900		
11	Grants, subsidies, and contributions	1,077,387		
15	Taxes and assessments	60		
	Total, allocation accounts	1,375,698		
	Total obligations	19,988,033	$20,800,000	$20,800,000
	Obligations are distributed as follows:			
	Department of State	$18,612,335	$20,800,000	$20,800,000
	Department of Labor	231,761		
	Department of Health, Education, and Welfare	1,125,475		
	Department of the Interior	1,917		
	Library of Congress	16,545		

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Educational exchange:			
(a) American republics	$487,200	$1,350,000	$1,500,000
(b) Europe		300,000	575,000
(c) Far East	200,000	1,010,000	1,950,000
(d) Near East and South Asia	250,000	595,733	1,700,000
2. Aid to American-sponsored schools		250,000	600,000
Total obligations	937,200	3,505,733	6,325,000
Financing:			
Unobligated balance brought forward	−3,686,762	−10,163,963	−15,225,230
Adjustment due to change in exchange rates to permit conversion to dollar equivalent	491,599		
Unobligated balance carried forward	10,163,963	15,225,230	8,900,230
Authorization to expend foreign currency receipts pursuant to 68 Stat. 454	7,906,000	8,567,000	

Foreign currencies, generated from sales abroad of United States surplus agricultural commodities totaling $20.1 million have been allocated to the Department of State to finance international educational exchange activities in 23 countries as authorized by the Fulbright Act of 1944 and to provide assistance to American-sponsored schools in 5 countries. As shown above under "International educational exchange activities," these foreign currencies are in addition to funds regularly appropriated for such activities.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$937,200	$3,505,733	$6,325,000

Analysis of Expenditures

Obligated balance, beginning of year		$392,921	
Obligations incurred during year	$937,200	3,505,733	$6,325,000
Obligated balance, end of year	−392,921		
Expenditures	544,279	3,898,654	6,325,000

[EDUCATIONAL, SCIENTIFIC, AND CULTURAL ACTIVITIES]

[For expenses to carry out the provisions of section 1011(d) of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442(d)), $3,525,000: *Provided*, That this amount shall be used for purchase of foreign currencies from the special account for the informational media guaranty program, at rates of exchange, determined by the Treasury Department, but in no event at a higher rate per unit than the free world market value of the currency purchased, and the amounts of any such purchases shall be covered into miscellaneous receipts of the Treasury.] (*Supplemental Appropriation Act, 1958.*)

Appropriated 1958, **$3,525,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Grants		$3,516,667	
2. Administration		8,333	
Total obligations		3,525,000	
Financing:			
Appropriation (new obligational authority)		3,525,000	

These funds will be used to purchase Israeli pounds generated by the informational media guaranty program which are owned by the United States Treasury and will be used for grants to educational, scientific, and cultural organizations.

Object Classification

		1957 actual	1958 estimate	1959 estimate
01	Personal services: Positions other than permanent		$8,333	
11	Grants, subsidies, and contributions		3,516,667	
	Total obligations		3,525,000	

EDUCATIONAL AID FOR CHINA AND KOREA

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Educational exchange service (total obligations)	$13,134		
Financing:			
Unobligated balance brought forward	−35,016		
Unobligated balance no longer available	21,882		
Appropriation (new obligational authority)			

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$13,134		

Permanent authorizations:

EDUCATIONAL EXCHANGE MISCELLANEOUS PERMANENT APPROPRIATIONS

(Indefinite special accounts)

Appropriated (est.) 1958, **$399,109** Estimate 1959, **$399,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Educational exchange fund, payments by Finland, World War I debt"	$436,624	$399,109	$399,000
2. "Educational fund, interest payments by the Government of India"	294,212	1,046,293	1,000,000
Total obligations	730,836	1,445,402	1,399,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$3,389,586	−$3,113,610	−$2,067,317
Recovery of prior year obligations	−58,698		
Unobligated balance carried forward	3,113,610	2,067,317	1,067,317
Appropriation (new obligational authority)	396,162	399,109	399,000

1. Educational exchange fund, payments by Finland, World War I debt.—Any sums paid by the Republic of Finland to the United States as interest on, or principal of, the debt incurred under the act of February 25, 1919, are credited to this fund to finance the educational exchange of persons between the United States and Finland and the purchase of books and equipment for the educational system of Finland. During 1957 the exchange of 37 Finns was financed in full from this fund and 86 grants to Finns and Americans under the Fulbright program were supplemented. The amount of $166,078 was used to purchase books and equipment (63 Stat. 630).

2. *Educational fund, interest payments by the Government of India.*—Interest payments up to cumulative total of $5 million on loans made to India are available for educational exchange of persons and educational materials. As of June 30, 1957, $2,394,659 had been obligated for this purpose (65 Stat. 71).

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	3	3	3
Average number of all employees	3	3	3
Number of employees at end of year	3	3	3
Average GS grade and salary	6.7 $4,520	6.7 $4,520	6.7 $4,520
01 Personal services:			
Permanent positions	$13,530	$13,171	$13,171
Other personal services		50	50
Total personal services	13,530	13,221	13,221
07 Other contractual services	12,168	12,045	56,216
11 Grants, subsidies, and contributions	404,870	457,887	413,607
Total, Department of State	430,568	483,153	483,044
ALLOCATION ACCOUNTS			
Total number of permanent positions	23	22	22
Average number of all employees	19	21	21
Number of employees at end of year	22	22	22
Average GS grade and salary	6.8 $4,763	6.8 $4,860	6.8 $4,860
Average FSS grade and salary	5.2 $7,525	4.7 $7,915	4.7 $7,915
Average salary of ungraded positions (local rates)	$1,000	$1,000	$1,000
01 Personal services:			
Permanent positions	$61,048	$60,038	$60,098
Other personal services	8,256	7,892	8,017
Total personal services	69,304	67,930	68,115
02 Travel	9,158	8,300	6,841
07 Other contractual services	169	200	200
08 Supplies and materials	680	3,930	2,755
09 Equipment	18		
11 Grants, subsidies, and contributions	220,939	881,889	838,045
Total, allocation accounts	300,268	962,249	915,956
Total obligations	730,836	1,445,402	1,399,000
Obligations are distributed as follows:			
Department of State	$430,568	$483,153	$483,044
United States Information Agency	254,316	962,249	915,956
Department of Labor	8,170		
Department of Health, Education, and Welfare	35,242		
Department of Commerce	2,540		

OTHER

Current authorizations:

[RAMA ROAD, NICARAGUA]

[For an additional amount for necessary expenses for the survey and construction of the Rama Road, Nicaragua, in accordance with the provisions of section 5 of the Federal-Aid Highway Act of 1952 (66 Stat. 160), as supplemented by section 8 of the Federal-Aid Highway Act of 1954 (68 Stat. 74), $1,500,000, to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made.] (*Department of State Appropriation Act, 1958.*)

Appropriated 1958, **$1,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Construction (total obligations)	$165,000	$3,200,000	$573,209
Financing:			
Unobligated balance brought forward	−438,209	−2,273,209	−573,209
Unobligated balance carried forward	2,273,209	573,209	
Appropriation (new obligational authority)	2,000,000	1,500,000	

The Rama Road, being constructed pursuant to a 1942 agreement between the United States and Nicaragua, will connect the east river port of Rama, Nicaragua with the Inter-American Highway, at San Benito, Nicaragua, 158 miles away. Work has been completed for 108 miles. Prior year funds are available in 1959 for the continuation of this work. Additional funds will be required in subsequent years to complete the United States commitment on this project and authorizing legislation is being requested.

Object Classification

	1957 actual	1958 estimate	1959 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	4	4	4
Full-time equivalent of all other positions	1	1	1
Average number of all employees	4	4	4
Number of employees at end of year	3	3	3
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$20,790	$17,800	$18,000
Positions other than permanent	1,450	3,600	3,600
Other personal services	7,927	8,600	8,400
Total personal services	30,167	30,000	30,000
02 Travel	3,632	4,500	6,000
03 Transportation of things	3,749	15,000	15,000
04 Communication services	31	200	200
05 Rents and utility services		500	500
06 Printing and reproduction	19	400	400
07 Other contractual services	2,537	5,000	5,000
08 Supplies and materials	254	100,000	150,000
09 Equipment		2,000	2,000
10 Lands and structures	124,474	3,041,800	363,509
11 Grants, subsidies, and contributions		400	400
15 Taxes and assessments	137	200	200
Total obligations	165,000	3,200,000	573,209

CLEVELAND PAN AMERICAN GAMES

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Expenses of Pan American Games (total obligations)		$26,000	

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OTHER—Continued

Current authorizations—Continued

CLEVELAND PAN AMERICAN GAMES—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward		−$100,000	
Unobligated balance carried forward	$100,000		
Unobligated balance no longer available		74,000	
Appropriation (new obligational authority)	100,000		

This appropriation was made to finance initial expenses of the United States Government share of the III Pan American Games which were planned to be held in Cleveland, Ohio, in 1959. The balance of the authorization was not appropriated in 1958. Obligations shown in 1958 represent claims which have been filed by the Cleveland Pan American Games Foundation. When the claims are settled the balance of the appropriation will be returned to the Treasury.

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities		$26,000	

VATICAN CITY CLAIMS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment by Treasury for Vatican City claims (total obligations)	$964,200		
Financing:			
Appropriation (new obligational authority)	964,200		

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$964,200		

Permanent authorizations:

PAYMENT TO THE REPUBLIC OF PANAMA

Appropriated 1958, **$1,930,000** Estimate 1959, **$1,930,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to the Republic of Panama (total obligations)	$1,930,000	$1,930,000	$1,930,000
Financing:			
Appropriation (new obligational authority)	1,930,000	1,930,000	1,930,000

Annual payments are made to the Government of Panama in consideration of the rights granted in perpetuity for the construction of the Panama Canal. A new Treaty of Mutual Understanding and Cooperation entered into force on August 23, 1955, providing for an annual payment by the United States of $1,930,000, of which $430,000 is reimbursed to the Treasury by the Panama Canal Company.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$1,930,000	$1,930,000	$1,930,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Counterpart fund, foreign currency, section 708 (c), Public Law 118, July 16, 1953, State

Program and Financing—Without Purchase

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Functions under section 502 (b) of Public Law 665 (total obligations)	$312,691	$149,557	
Financing:			
Unobligated balance brought forward	−675,536	−844,486	−$813,187
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	6,715	16,034	
Unobligated balance carried forward	844,486	813,187	813,187
Authorization to expend foreign currency receipts (22 U. S. C. 1754 (b))	488,356	134,292	

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$312,691	$149,557	

Analysis of Expenditures

	1957 actual	1958 estimate	1959 estimate
Obligations incurred	$312,691	$149,557	
Expenditures	312,691	149,557	

GENERAL PROVISIONS—DEPARTMENT OF STATE

SEC. 102. Appropriations under this title for "Salaries and expenses", "International contingencies", and "Missions to international organizations" are available for reimbursement of the General Services Administration for security guard services for protection of confidential files.

SEC. 103. No part of any appropriation contained in this title shall be used to pay the salary or expenses of any person assigned to or serving in any office of any of the several States of the United States or any political subdivision thereof.

SEC. 104. None of the funds appropriated in this title shall be used (1) to pay the United States contribution to any international organization which engages in the direct or indirect promotion of the principle or doctrine of one world government or one world citizenship; (2) for the promotion, direct or indirect, of the principle or doctrine of one world government or one world citizenship.

SEC. 105. It is the sense of the Congress that the Communist Chinese Government should not be admitted to membership in the United Nations as the representative of China.

SEC. 106. The Secretary of State, under such regulations as he may prescribe, may pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects. (*Department of State Appropriation Act, 1958.*)

GENERAL PROVISIONS

SEC. 701. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

SEC. 702. No part of any appropriation contained in this Act shall be used to pay any expenses incident to or in connection with participation in the International Materials Conference. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1958.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

DEPARTMENT OF STATE

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
ADMINISTRATION OF FOREIGN AFFAIRS								
Salaries and expenses	222	$544,055	209	$240,960	$303,095	437	$1,000	Utilized in carrying out the assigned functions of the Department of State abroad and the departmental service, and for special occasions in the transaction of official duties. All are in foreign countries except 13 in Washington, D. C.
Station wagon	42	103,950	42	49,500	54,450	138		Do.
Bus						6		Do.
INTERNATIONAL ORGANIZATIONS AND CONFERENCES								
Missions to international organizations.							1,000	For use of members of the United States Mission to the United Nations attending meetings at the United Nations site, and at embassies and offices of 75 national delegations in New York.
Station wagon						1		Do.
INTERNATIONAL COMMISSIONS								
International Boundary and Water Commission, United States and Mexico.	3	4,500	3	600	3,900	19		Commissioner and staff, administrative, engineering, and project personnel for transportation to and from Commission works located along 1,935 miles of boundary.
Station wagon						3		Do.
Total, Department of State	267	652,505	254	291,060	361,445	604	2,000	

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TREASURY DEPARTMENT

The 1959 recommendations for new obligational authority for the Treasury Department total $8.6 billion. Of this amount, 91% is for interest payments, which are not subject to annual budgetary control. Federal financial management makes up 5% of the total. The largest part of the remainder, 3%, is for the Coast Guard.

Total new obligational authority and expenditures will be slightly lower in 1959 than in 1958. Recommendations for the operating programs have been held to the 1958 level. No funds have been requested for major new construction. The budget anticipates that substantial increases in workload will be met by increased efficiency through the adoption of electronic data processing equipment and through continued improvement in operating techniques.

Interest.—Payments of interest on the public debt, on refunds of receipts, and on uninvested trust funds are financed by permanent appropriations which do not require annual congressional action. These expenditures are estimated to be about the same in 1959 as in 1958.

Promotion of water transportation.—The new obligational authority requested for 1959 for the Coast Guard is about the same as the amount enacted for 1958. Expenditures in 1959, however, are estimated to decline from 1958 and to be less than the new obligational authority for both 1958 and 1959, primarily because new aircraft on order will not be delivered until the fiscal year 1960.

Federal financial management.—The budget anticipates that improved equipment and techniques in the financial management activities of the Treasury will make possible the meeting of higher workloads without additional cost. In fact, somewhat less new obligational authority is requested for 1959 than for 1958. The Bureau of Accounts will write a substantially larger number of checks at a lower unit cost by using electronic equipment. Adoption of the punch card savings bond, together with electronic recording of savings bond transactions, will develop substantial savings in operations of the Bureau of the Public Debt. The Office of the Treasurer has completed its program to install electronic equipment for clearing checks and reconciling accounts of disbursing officers. The Internal Revenue Service and the Bureau of Customs will also meet higher workloads through improved efficiency.

Protective services and alien control.—The budget provides about the same amounts for 1959 as for 1958 for the Secret Service and the Bureau of Narcotics to enforce the narcotics laws, suppress counterfeiting, and investigate check and bond forgeries.

Labor and manpower.—The receipts from the Federal unemployment tax are used to pay grants to the States for the administrative expenses of the employment service and the unemployment compensation program. These expenditures are made by the Department of Labor, and are discussed in that chapter of part II of the budget. Receipts in excess of amounts necessary for administrative expenses are transferred to the unemployment trust fund to help States pay claims, and are reflected as an expenditure of the Treasury. The decrease from 1958 to 1959 primarily reflects higher grants to States.

Other aids to business.—The Reconstruction Finance Corporation was abolished as of June 30, 1957, by Reorganization Plan No. 1 of 1957, and the assets were transferred for final liquidation to the General Services Administration, the Housing and Home Finance Agency, the Small Business Administration, and the Treasury Department. Net receipts from liquidation of the assets transferred to Treasury are estimated to be $14.6 million in 1959, an increase of more than $4 million over 1958.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
International affairs and finance:						
152 Economic and technical development				$35,169		
Labor and welfare:						
211 Labor and manpower	$71,195	$48,717	$25,150	71,195	$48,717	$25,150
Commerce and housing:						
511 Promotion of water transportation	204,175	226,295	227,000	194,264	226,660	213,609
518 Other aids to business				−49,977	−10,208	−14,630
520 Civil defense				−804	−144	−143
Total, commerce and housing	204,175	226,295	227,000	143,483	216,308	198,836
General government:						
603 Executive direction and management	1,014	1,028	1,028	1,019	1,031	1,027
604 Federal financial management	438,221	465,854	465,103	438,398	467,760	465,012
608 Protective services and alien control	6,790	7,241	7,241	6,562	7,237	7,237
609 Territories and possessions	19,296	20,020	20,020	19,195	19,941	20,020
610 Other general government	12,160	8,914	5,002	38,291	12,891	5,030
Total, general government	477,481	503,056	498,394	503,464	508,861	498,326
Interest:						
651 Interest on the public debt	7,244,193	7,800,000	7,800,000	7,244,193	7,800,000	7,800,000
652 Interest on refund of receipts	57,009	60,750	61,750	57,009	60,750	61,750
653 Interest on uninvested funds	6,265	6,431	6,633	6,265	6,432	6,633
Total, interest	7,307,467	7,867,182	7,868,383	7,307,467	7,867,182	7,868,383
Total, Treasury Department	8,060,318	8,645,250	8,618,926	8,060,779	8,641,068	8,590,694

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			'BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
OFFICE OF THE SECRETARY							
Current authorizations:							
Salaries and expenses	604	$2,900,000	$3,099,980	$3,068,000	$2,888,112	$3,073,814	$3,070,700
Investment in International Finance Corporation (authorization to expend from debt receipts)	152				35,168,000		
Permanent authorizations:							
Expenses of administration of settlement of War Claims Act of 1928 (indefinite special account)	604	16,000	16,000	17,000	14,672	15,764	16,567
Federal control of transportation systems (indefinite special account)	518				4,801	5,915	5,952
Public enterprise funds:							
Liquidation of corporate assets:							
Reconstruction Finance Corporation liquidation fund	518						
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund		(1,060,000)	(315,000)	(160,000)	−49,981,800	−10,213,797	−14,636,000
Civil defense loans: Civil defense program fund	520				−803,619	−144,218	−143,000
Intragovernmental funds:							
Advances and reimbursements, Office of the Secretary	604				−2,871	2,875	
Total, Office of the Secretary		2,916,000	3,115,980	3,085,000	−12,712,705	−7,259,647	−11,685,781
BUREAU OF ACCOUNTS							
Current authorizations:							
Salaries and expenses	604	3,007,000	3,113,020	3,110,000	3,013,378	3,099,396	3,103,420
Salaries and expenses, Division of Disbursement	604	16,275,000	17,354,000	17,340,000	16,103,218	17,591,149	17,283,851
Claims, judgments, and private relief acts	610	8,394,983	3,912,079		4,803,192	7,889,287	28,307
Liquidation of Philippine War Damage Commission	152				741	328	
Liquidation of Economic Stabilization Agency	519				555	424	
Permanent authorizations:							
Interest on uninvested funds (indefinite)	653	6,264,507	6,431,725	6,632,625	6,264,507	6,431,725	6,632,625
Payment of certified claims (indefinite)	610				29,722,305		
Payment to unemployment trust fund (indefinite)	211	71,195,220	48,717,000	25,150,000	71,195,220	48,717,000	25,150,000
Claims, judgments, and private relief acts	610	3,763,116	5,000,000	5,000,000	3,763,116	5,000,000	5,000,000
Permanent private relief acts	610	1,620	1,620	1,620	1,620	1,620	1,620
Public enterprise funds:							
Fund for payment of Government losses in shipment (current appropriation)	604			100,000	45,514	50,000	50,000
Total, Bureau of Accounts		108,901,446	84,529,444	57,334,245	134,913,366	88,780,929	57,249,823
BUREAU OF THE PUBLIC DEBT							
Current authorizations:							
Administering the public debt	604	45,500,000	45,546,000	44,600,000	45,956,847	45,595,000	44,550,000
OFFICE OF THE TREASURER							
Current authorizations:							
Salaries and expenses	604	15,125,000	17,950,000	17,950,000	15,090,751	17,798,000	17,895,000
Public enterprise funds:							
Check forgery insurance fund	604				−4,113	3,093	−1,500
Total, Office of the Treasurer		15,125,000	17,950,000	17,950,000	15,086,638	17,801,093	17,893,500
BUREAU OF CUSTOMS							
Current authorizations:							
Salaries and expenses	604	44,250,000	48,000,000	48,000,000	44,039,270	48,986,366	48,685,000
Intragovernmental funds:							
Advances and reimbursements	604				−25,000	25,000	
Total, Bureau of Customs		44,250,000	48,000,000	48,000,000	44,014,270	49,011,366	48,685,000
INTERNAL REVENUE SERVICE							
Current authorizations:							
Salaries and expenses	604	305,750,000	325,500,000	325,500,000	305,131,683	323,121,794	324,490,000
Permanent authorizations:							
Refunding internal revenue collections, interest (indefinite)	652	57,008,932	60,750,000	61,750,000	57,008,932	60,750,000	61,750,000
Coconut oil tax, collections for American Samoa (indefinite special account)	609	34,711	20,000	20,000	34,711	20,000	20,000
Coconut oil tax, collections for Guam (indefinite special account)	609	173			173		
Internal revenue collections for Puerto Rico (indefinite special account)	609	19,260,850	20,000,000	20,000,000	19,159,788	19,921,332	20,000,000
Total, Internal Revenue Service		382,054,666	406,270,000	407,270,000	381,335,287	403,813,126	406,260,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUREAU OF NARCOTICS							
Current authorizations:							
Salaries and expenses	608	$3,450,000	$3,780,000	$3,780,000	$3,284,340	$3,759,000	$3,780,000
UNITED STATES SECRET SERVICE							
Current authorizations:							
Salaries and expenses	608	3,340,000	3,461,000	3,461,000	3,277,442	3,478,454	3,457,026
Salaries and expenses, White House Police	603	859,000	865,000	865,000	864,454	867,708	863,961
Salaries and expenses, guard force	604	285,000	303,000	293,000	272,077	303,184	286,910
Permanent authorizations:							
Contribution for annuity benefits, White House Police and Secret Service force (indefinite)	603	154,956	163,200	163,200	154,956	163,200	163,200
Total, United States Secret Service		4,638,956	4,792,200	4,782,200	4,568,929	4,812,546	4,771,097
BUREAU OF THE MINT							
Current authorizations:							
Salaries and expenses	604	3,653,500	4,300,000	4,300,000	3,697,255	4,391,262	4,284,000
Striking of gold medal for Gustaf E. Lambert	610	350			350		
Permanent authorizations:							
Minor coinage profits, etc. (indefinite special account)	604	478,208	228,369	350,000	286,977	350,000	350,000
Silver profit fund (indefinite special account)	604	981,149	443,136	475,000	854,347	525,000	475,000
Total, Bureau of the Mint		5,113,207	4,971,505	5,125,000	4,838,929	5,266,262	5,109,000
BUREAU OF ENGRAVING AND PRINTING							
Intragovernmental fund:							
Bureau of Engraving and Printing fund	604				1,035,764	2,828,783	472,664
COAST GUARD							
Current authorizations:							
Operating expenses	511	164,850,000	169,000,000	171,700,000	164,885,587	168,241,424	171,700,000
Acquisition, construction, and improvements	511	7,400,000	15,895,000	16,000,000	−1,991,286	21,000,000	1,672,000
Retired pay	511	24,925,000	26,400,000	27,800,000	24,829,386	26,356,562	27,800,000
Reserve training	511	7,000,000	15,000,000	11,500,000	6,098,507	11,500,000	11,500,000
Intragovernmental funds:							
Coast Guard supply fund	511				−112,018	105,000	216,000
Coast Guard yard fund	511				409,560	−542,949	720,913
Advances and reimbursements	511				144,173		
Total, Coast Guard		204,175,000	226,295,000	227,000,000	194,263,909	226,660,037	213,608,913
INTEREST ON THE PUBLIC DEBT							
Permanent authorizations:							
Interest on the public debt (indefinite)	651	7,244,193,486	7,800,000,000	7,800,000,000	7,244,193,486	7,800,000,000	7,800,000,000
Total new obligational authority and budget expenditures		8,060,317,761	8,645,250,129	8,618,926,445	8,060,779,060	8,641,068,495	8,590,694,216
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$656,964,833	$703,479,079	$699,367,000			
Permanent authorizations:					$8,060,779,060	$8,641,068,495	$8,590,694,216
Appropriations		7,403,352,928	7,941,771,050	7,919,559,445			
Total new obligational authority and budget expenditures		8,060,317,761	8,645,250,129	8,618,926,445	8,060,779,060	8,641,068,495	8,590,694,216

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

MEMORANDUM

Account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
STATUTORY PUBLIC DEBT RETIREMENTS							
Cumulative sinking fund (permanent indefinite)	------	$633,349,085	$633,349,085	$633,349,085	----------	----------	----------
Obligations retired from Federal intermediate credit bank franchise tax receipts (permanent indefinite special account)	------	138,981	----------	----------	----------	----------	----------
Total, statutory public debt retirements	------	633,488,066	633,349,085	633,349,085	----------	----------	----------
REFUNDS OF RECEIPTS							
Bureau of Accounts: Refund of moneys erroneously received and covered (permanent indefinite)	------	$2,079,309	$2,000,000	$2,000,000	$2,079,309	$2,000,000	$2,000,000
Bureau of Customs: Refunds and drawbacks (permanent indefinite)	------	19,907,757	20,000,000	20,000,000	19,907,757	20,000,000	20,000,000
Internal Revenue Service: Refunding internal revenue collections (permanent indefinite)	------	3,952,326,444	4,265,800,000	4,708,950,000	3,894,136,444	4,205,800,000	4,646,950,000
Total, refunds of receipts	------	3,974,313,510	4,287,800,000	4,730,950,000	3,916,123,510	4,227,800,000	4,668,950,000

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1957	1958	1959	1957	1958	1959	1957	1958	1959
OFFICE OF THE SECRETARY										
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund	518	$1,254	$350	$175	$51,236	$10,564	$14,811	−$49,982	−$10,214	−$14,636
Civil defense loans: Civil defense program fund	520	40	21	20	844	165	163	−804	−144	−143
Total, Office of the Secretary	------	1,294	371	195	52,080	10,729	14,974	−50,786	−10,358	−14,779
BUREAU OF ACCOUNTS										
Fund for payment of Government losses in shipment	604	47	51	1	1	1	1	46	50	50
OFFICE OF THE TREASURER										
Check forgery insurance fund	604	25	3	----------	29	----------	2	−4	3	−2
Total, public enterprise funds	------	1,366	425	246	52,110	10,730	14,977	−50,744	−10,305	−14,731

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		$121		$129		$150	$3,068	$2,924	$147		$147
Investment in International Finance Corporation: Authorization to expend from debt receipts	$35,168	35,168									
Investment in International Bank for Reconstruction and Development: Authorization to expend from debt receipts	2,540,000	2,540,000	$2,540,000	2,540,000	$2,540,000	2,540,000				$2,540,000	2,540,000
Permanent authorizations:											
Expenses of administration of settlement of War Claims Act of 1928 (indefinite special account)	2	3	3	4	3	4	17	14	3	4	4
Federal control of transportation systems (indefinite special account)	61	61	56	56	50	50			6	44	44
Public enterprise funds:											
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund	17,886	26,547	5,634	10,550	420	4,619			−14,636	330	[1] 3,981
Civil defense loans: Civil defense program fund:											
Cash		123		62		51			−143		51
Authorization to expend from debt receipts	245,356	248,070	246,290	248,935	246,548	249,090				246,844	249,233
Intragovernmental funds:											
Advances and reimbursements, Office of the Secretary				3							
Total, Office of the Secretary	2,838,473	2,850,093	2,791,983	2,799,739	2,787,021	2,793,964	3,085	2,938	−14,623	2,787,222	2,793,460
BUREAU OF ACCOUNTS											
Current authorizations:											
Salaries and expenses		237		217		223	3,110	2,880	223		229
Salaries and expenses, Division of Disbursements		2,790		2,923		2,635	17,340	14,649	2,635		2,692
Claims, judgments, and private relief acts		440		4,006		28			28		
Permanent authorizations:											
Interest on uninvested funds (indefinite)							6,633	6,633			
Payment to unemployment trust fund (indefinite)							25,150	25,150			
Claims, judgments, and private relief acts							5,000	5,000			
Permanent private relief acts							2	2			
Public enterprise funds:											
Fund for payment of Government losses in shipment (current appropriation)	140	158	94	113	44	63	100	6	44	94	113
Total, Bureau of Accounts	140	3,625	94	7,259	44	2,949	57,335	54,320	2,930	94	3,034
BUREAU OF THE PUBLIC DEBT											
Current authorizations:											
Administering the public debt		4,734		4,194		4,052	44,600	40,450	4,100		4,102
OFFICE OF THE TREASURER											
Current authorizations:											
Salaries and expenses		411		419		571	17,950	17,326	569		626
Public enterprise funds:											
Check forgery insurance fund	24	24	45	28	44	25			−2	44	27
Total, Office of the Treasurer	24	435	45	447	44	596	17,950	17,326	567	44	653
BUREAU OF CUSTOMS											
Current authorizations:											
Salaries and expenses	300	2,392	300	6,059	300	4,971	48,000	45,558	3,127	300	4,286
Intragovernmental funds:											
Advances and reimbursements				25							
Total, Bureau of Customs	300	2,392	300	6,084	300	4,971	48,000	45,558	3,127	300	4,286

[1] Excludes capital transfer in 1959 of $15,274 thousand.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
INTERNAL REVENUE SERVICE											
Current authorizations:											
Salaries and expenses		$14,930		$15,115		$16,240	$325,500	$309,700	$14,790		$17,250
Permanent authorizations:											
Refunding internal revenue collections, interest (indefinite)							61,750	61,750			
Coconut oil tax, collections for American Samoa (indefinite special account)							20	20			
Internal revenue collections for Puerto Rico (indefinite special account)		1,609		1,821		1,900	20,000	18,100	1,900		1,900
Total, Internal Revenue Service		16,539		16,936		18,140	407,270	389,570	16,690		19,105
BUREAU OF NARCOTICS											
Current authorizations:											
Salaries and expenses		159		224		225	3,780	3,545	235		225
UNITED STATES SECRET SERVICE											
Current authorizations:											
Salaries and expenses		162		171		149	3,461	3,308	149		153
Salaries and expenses, White House Police		54		37		33	865	831	33		34
Salaries and expenses, guard force		14		12		6	293	275	12		12
Permanent authorizations:											
Contribution for annuity benefits, White House Police and Secret Service force (indefinite)							163	163			
Total, United States Secret Service		230		220		188	4,782	4,577	194		199
BUREAU OF THE MINT											
Current authorizations:											
Salaries and expenses		835		457		366	4,300	3,918	366		382
Permanent authorizations:											
Minor coinage profits, etc (indefinite special account)	$130	130	$322	322	$200	200	350	150	200	$200	200
Silver profit fund (indefinite special account)	155	155	282	282	200	200	475	275	200	200	200
Total, Bureau of the Mint	285	1,120	604	1,061	400	766	5,125	4,343	766	400	782
BUREAU OF ENGRAVING AND PRINTING											
Intragovernmental funds:											
Bureau of Engraving and Printing fund	−353	5,497	16	4,461	−1,592	1,633			473	−2,399	1,160
COAST GUARD											
Current authorizations:											
Operating expenses		22,072		24,053		24,053	171,700	147,647	24,053		24,053
Acquisition, construction, and improvements	10,899	14,602	14,973	23,993	176	18,889	16,000	−8,153	9,825	13	33,217
Retired pay		89		102		102	27,800	27,698	102		102
Reserve training		615		1,318		1,318	11,500	10,182	1,318		1,318
Intragovernmental funds:											
Coast Guard supply fund	1,583	2,395	1,135	2,507	779	2,402			216	558	2,186
Coast Guard yard fund	791	2,150	64	1,741	697	2,284			721	3	1,563
Advances and reimbursements		133									
Total, Coast Guard	13,273	42,056	16,172	53,714	1,652	49,048	227,000	177,374	36,235	574	62,439
INTEREST ON THE PUBLIC DEBT											
Interest on the public debt							7,800,000	7,800,000			
Total, Treasury Department	2,852,142	2,926,880	2,809,214	2,894,339	2,787,869	2,876,532	8,618,926	8,540,001	50,694	2,786,235	2,889,490
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$11,547	$66,615	$15,936	$85,914	$929	$76,365				$761	$91,176
Authorizations to expend from debt receipts	2,820,524	2,823,238	2,786,290	2,788,935	2,786,548	2,789,090				2,786,844	2,789,233
Revolving and management funds:							$8,618,926	$8,540,001	$50,694		
Public enterprise funds	18,050	26,852	5,773	10,753	508	4,758				468	[1] 4,172
Intragovernmental funds	2,021	10,175	1,215	8,737	−116	6,319				−1,838	4,909
Total, Treasury Department	2,852,142	2,926,880	2,809,214	2,894,339	2,787,869	2,876,532	8,618,926	8,540,001	50,694	2,786,235	2,889,490

[1] Excludes capital transfer in 1959 of $15,274 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$66,615	$85,914	$76,365
Authorizations to expend from debt receipts	2,823,238	2,788,935	2,789,090
Revolving and management funds	37,027	19,490	11,077
Total balances brought forward	2,926,880	2,894,339	2,876,532
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	656,965	703,479	699,367
Permanent authorizations: Appropriations	7,403,353	7,941,771	7,919,559
Total new obligational authority	8,060,318	8,645,250	8,618,926
Other amounts available:			
Restored from certified claims account	6,071		
Net transfers of balances to (−) other agencies		−5,066	
Adjustment of balances upward in expired accounts, net	29,093		
Total other amounts available	35,164	−5,066	
Total budget authorizations available	11,022,362	11,534,523	11,495,458
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	8,060,779	8,641,068	8,540,001
Out of balances of prior obligational authority			50,694
Total budget expenditures	8,060,779	8,641,068	8,590,694
Amounts no longer available:			
Unobligated balances expiring and lapsing	1,265	5,845	
Capital transfers from revolving funds to receipt accounts	65,979	11,078	15,274
Total amounts no longer available	67,244	16,923	15,274
Balances carried forward at close of year from authorizations enacted or recommended in this document:			
Appropriations	85,914	76,365	91,176
Authorizations to expend from debt receipts	2,788,935	2,789,090	2,789,233
Revolving and management funds	19,490	11,077	9,081
Total balances carried forward at close of year	2,894,339	2,876,532	2,889,490
Obligations incurred, net	$8,036,002	$8,644,663	$8,605,286

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OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed $50 per diem; and the purchase of uniforms for elevator operators; [$3,088,000] *$3,068,000. (5 U. S. C. 3, 22, 22(a), 22–1, 133z to 133z–15; 241, 242, 244, 245(a), 246, 246(a), 2131, 2201; 67 Stat. 230; Reconstruction Finance Corporation Liquidation Act (67 Stat. 231); Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$3,088,000** Estimate 1959, [a] **$3,068,000**
Appropriated (adjusted) 1958, **$3,099,980**

[a] Includes $15,000 for activities previously carried under "Salaries and expenses," Bureau of Accounts. The amounts obligated in 1957 and a portion of the 1958 obligations are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$1,176,947	$1,278,835	$1,305,245
2. Administration and coordination of legal services	323,716	332,925	332,925
3. General administrative services	656,690	699,214	642,804
4. Operation and maintenance of Treasury buildings	688,281	725,926	725,926
5. Employee health program	59,700	61,100	61,100
Total obligations	2,905,334	3,098,000	3,068,000
Financing:			
Comparative transfers from (−) other accounts	−12,273	−3,020	
Unobligated balance no longer available	6,939	5,000	
New obligational authority	2,900,000	3,099,980	3,068,000
New obligational authority:			
Appropriation	$2,900,000	$3,088,000	$3,068,000
Transferred from "Salaries and expenses," Bureau of Accounts (Reorganization Plan No. 26 of 1950)		11,980	
Appropriation (adjusted)	2,900,000	3,099,980	3,068,000

The Office of the Secretary aids the Secretary in the direction and administration of the Department.

2. *Administration and coordination of legal services.*—The general counsel, as the chief law officer of the Department, administers and coordinates its legal service. This activity provides service for organizational units which do not maintain legal staffs, and supervision of the legal activities of the other bureaus.

4. *Operation and maintenance of Treasury buildings.*—Services are provided for the main Treasury Building and its annex.

5. *Employee health program.*—Four health units are operated for Treasury employees in Washington, D. C.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	449	434	424
Full-time equivalent of all other positions	5	3	3
Average number of all employees	431	420	409
Number of employees at end of year	422	417	406
Average GS grade and salary	8.1 $6,431	8.1 $6,471	8.1 $6,505
Average salary of ungraded positions	$4,086	$4,181	$4,219
01 Personal services:			
Permanent positions	$2,504,168	$2,532,103	$2,493,337
Positions other than permanent	20,893	9,080	9,080
Other personal services	37,926	36,174	36,160
Total personal services	2,562,987	2,577,357	2,538,577
02 Travel	20,334	20,000	20,000
03 Transportation of things	$577	$600	$600
04 Communication services	51,261	51,225	52,275
05 Rents and utility services	57,545	65,100	65,100
06 Printing and reproduction	11,804	11,800	16,800
07 Other contractual services	18,077	18,310	18,175
Services performed by other agencies	122,844	128,890	128,890
08 Supplies and materials	48,879	45,800	45,800
09 Equipment	8,260	20,910	19,930
11 Grants, subsidies, and contributions		156,118	159,963
13 Refunds, awards, and indemnities	1,047	1,000	1,000
15 Taxes and assessments	1,719	890	890
Total obligations	2,905,334	3,098,000	3,068,000

INVESTMENT IN INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from debt receipts)	$2,540,000,000	$2,540,000,000	$2,540,000,000
Unobligated balance carried forward (authorization to expend from debt receipts)	−2,540,000,000	−2,540,000,000	−2,540,000,000
Total financing			

The Bretton Woods Agreements Act of July 31, 1945, authorized the acceptance of membership in the International Bank for Reconstruction and Development and the subscription of $3,175 million toward its total capital of $9,100 million.

The United States paid the first 20% of its subscription in cash and non-interest-bearing, nonnegotiable notes, amounting to $635 million. The remaining 80% amounting to $2,540 million will not be called unless required to meet the Bank's obligations. Calls on unpaid subscriptions must be a uniform percentage by member countries of the amounts subscribed.

INVESTMENT IN INTERNATIONAL FINANCE CORPORATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Subscription of United States share of capital stock of corporation (total obligations)	$35,168,000		
Financing:			
Unobligated balance brought forward (authorization to expend from debt receipts)	35,168,000		

The International Finance Corporation Act authorized the Secretary of the Treasury to pay the subscription of the United States to the Corporation. This subscription, in the full amount authorized of $35,168,000, was paid in 1957 out of proceeds of securities issued under the Second Liberty Bond Act.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$35,168,000		

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Permanent authorizations:

OFFICE OF THE SECRETARY MISCELLANEOUS PERMANENT APPROPRIATIONS

(Indefinite special accounts)

Appropriated (estimate) 1958, **$16,000** Estimate 1959, **$17,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Expenses of administration of settlement of War Claims Act of 1928"	$14,675	$15,997	$16,567
2. "Federal control of transportation systems"	4,771	5,943	5,952
Total obligations	19,446	21,940	22,519
Financing:			
Unobligated balance brought forward	−62,720	−59,274	−53,334
Unobligated balance carried forward	59,274	53,334	47,815
Appropriation (new obligational authority)	16,000	16,000	17,000

1. *Expenses of administration of settlement of War Claims Act of 1928.*—Funds from the German deposit fund are deposited in a receipt account and appropriated for a portion of the administrative expenses incurred in paying awards under the settlement of War Claims Act of 1928 (45 Stat. 262).

2. *Federal control of transportation systems.*—Expenditures are for compensation payments to former employees of the railroads who were injured during the period of Federal control of World War I and for related administrative expenses.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3	3	3
Full time equivalent of all other positions	1	1	1
Average number of all employees	4	4	4
Number of employees at end of year	4	4	4
Average GS grade and salary	6.3 $4,923	7.0 $5,080	7.0 $5,197
01 Personal services:			
Permanent positions	$14,623	$14,952	$15,449
Positions other than permanent	3,685	3,699	3,699
Other personal services		58	58
Total personal services	18,308	18,709	19,206
07 Other contractual services	65	65	65
11 Grants, subsidies, and contributions		1,166	1,248
13 Refunds, awards, and indemnities	1,073	2,000	2,000
Total obligations	19,446	21,940	22,519

Public enterprise funds:

LIQUIDATION OF [RECONSTRUCTION FINANCE CORPORATION] *CORPORATE ASSETS*

The [following corporations and agencies, respectively, are] *Secretary of the Treasury is* hereby authorized to make such expenditures, within the limits of funds and borrowing authority available [to each such corporation or agency] *therefor* and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year [1958] *1959* for [each such corporation or agency] *the following functions*, except as hereinafter provided: (*Treasury-Post Office Appropriation Act, 1958.*)

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Liquidation of lending program	$1,249,688	$350,000	$175,000
Decrease in valuation allowances of loans	−5,500,000	−230,244	−95,000
Writeoff of loans	475,892	100,000	
Total operating costs	−3,774,420	219,756	80,000
Adjustment of cost included above not requiring funding	5,024,108	130,244	95,000
Total operating costs, funded	1,249,688	350,000	175,000
Capital outlay: Liquidation of lending program: Loans acquired	4,037		
Total program (costs—obligations)	1,253,725	350,000	175,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Loans repaid	45,625,738	8,139,445	12,906,000
Revenue	4,233,300	2,350,000	1,830,000
Adjustment of prior year revenue	521,814		
Recovery of prior year obligations	4,599,939	733,659	623,000
Total amounts becoming available	54,980,791	11,223,104	15,359,000
Unobligated balance brought forward	17,885,944	5,633,753	420,000
Transferred (Reorganization Plan No. 1 of 1957) to—			
"Reconstruction Finance Corporation liquidation fund," Small Business Administration		−2,380,960	
"Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency		−2,627,961	
Total amounts available	72,866,735	11,847,936	15,779,000
Capital transfers:			
Payment of profit to Treasury (−)	−979,257		
Repayment of capital stock (−)	−65,000,000		
Repayment of investment to Treasury (−)		−11,077,936	−15,274,000
Unobligated balance carried forward	−5,633,753	−420,000	−330,000
Financing applied to program	1,253,725	350,000	175,000

Under the provisions of Reorganization Plan No. 1 of 1957, the Reconstruction Finance Corporation was abolished as a corporate entity, and its remaining assets, liabilities, and obligations were transferred as follows:

Transferred to—	*Cash*	*Loans net*	*Working capital*	*Net Government investment*	*Undisbursed loan obligations*
Small Business Administration	$2,324,053	$12,627,048	$2,143,505	$17,094,606	$2,086,598
Housing and Home Finance Agency	2,733,106	1,762,806	1,394,855	5,890,767	1,500,000
General Services Administration	9,332		−9,332		
Treasury Department	5,483,139	39,891,201	384,352	45,758,692	5,242,659
Total	10,549,630	54,281,055	3,913,380	68,744,065	8,829,257

As a result of these transfers, the Secretary of the Treasury is responsible for completing the liquidation of business loans and securities with individual balances of $250,000 or more, securities of and loans to railroads, and securities of financial institutions, and for the windup of corporate affairs.

Budget program.—The aim of the liquidation program is to accomplish the maximum recovery of the Government's investment as rapidly as possible, but with every possible consideration for the interests of those indebted to the Government and the communities in which their businesses are located.

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OFFICE OF THE SECRETARY—Continued

Public enterprise funds—Continued

LIQUIDATION OF [RECONSTRUCTION FINANCE CORPORATION]
CORPORATE ASSETS—Continued

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND—CON.

The progress anticipated in the liquidation of those loans, securities, and loan obligations now being liquidated by the Secretary of the Treasury is summarized in the following table:

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Outstanding at end of year:			
Loans and securities (at cost)	$50.2	$42.0	$29.1
Undisbursed loan obligations:			
Commitments to participate in bank loans	4.5	3.7	3.1
Other	0.8	0.8	0.8

A limitation is placed on administrative expenses. It was reduced by $485,000 in 1958 because of transfers to other agencies. A further reduction of $155,000 for 1959 is due to a declining workload.

Operating results.—Excess proceeds of liquidation are paid into the Treasury as miscellaneous receipts.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loans acquired	$4,037		
Expense	1,249,688	$350,000	$175,000
Total gross expenditures	1,253,725	350,000	175,000
Receipts from operations (funds provided):			
Loans repaid	45,625,738	8,139,445	12,906,000
Revenue	4,233,300	2,350,000	1,830,000
Adjustment of prior year revenue	521,814		
Decrease in selected working capital	854,673	74,352	75,000
Total receipts from operations	51,235,525	10,563,797	14,811,000
Budget expenditures	−49,981,800	−10,213,797	−14,636,000

Revenue, Expense, and Retained Earnings

Revenue	$4,233,300	$2,350,000	$1,830,000
Expense	1,249,688	350,000	175,000
Total operating income	2,983,612	2,000,000	1,655,000
Nonoperating income:			
Decrease in valuation allowances on loans	5,500,000	230,244	95,000
Writeoff of loans	−475,892	−100,000	
Total nonoperating income	5,024,108	130,244	95,000
Net income for the year	8,007,720	2,130,244	1,750,000
Analysis of equity of Treasury:			
Equity of Treasury, beginning of year	126,193,788	68,744,065	36,811,000
Repayment of capital stock to Treasury (−)	−65,000,000		
Payment of dividend to Treasury (−)	−979,257		
Repayment of investment to Treasury (−)		−11,077,936	−15,274,000
Transferred (Reorganization Plan No. 1 of 1957) to—			
"Reconstruction Finance Corporation liquidation fund," Small Business Administration		−17,094,606	
"Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency		−5,890,767	
Adjustment of prior year revenue	521,814		
Equity of Treasury, end of year	68,744,065	36,811,000	23,287,000

Financial Condition

Assets:			
Cash with Treasury	$10,549,630	$4,619,000	$3,981,000
Accounts receivable	2,581,350	395,000	310,000
Collateral acquired in liquidation of loans (at lower of cost or appraised values)	1,732,744	25,000	20,000
Loans receivable, net	54,281,055	31,882,000	19,071,000
Total assets	69,144,779	36,921,000	23,382,000

Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$400,714	$110,000	$95,000
Government investment:			
Non-interest-bearing capital: Equity of Treasury	68,744,065	36,811,000	23,287,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$26,547,087	$10,549,630	$4,619,000	$3,981,000
Obligated balance, net:				
Current liabilities	634,367	400,714	110,000	95,000
Undisbursed loan obligations	13,429,196	8,829,257	4,509,000	3,886,000
Accounts and other receivables, net (−)	−5,402,420	−4,314,094	−420,000	−330,000
Total obligated balance	8,661,143	4,915,877	4,199,000	3,651,000
Unobligated balance	17,885,944	5,633,753	420,000	330,000

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Not to exceed [$800,000] *$160,000* (to be computed on an accrual basis) of the funds derived from [Reconstruction Finance Corporation activities (except those conducted under section 409 of the Federal Civil Defense Act of 1950)] *functions transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957 (22 Federal Register 4633)* shall be available during the current fiscal year for administrative expenses incident to the liquidation of said [Corporation] *functions*, including use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed [the aggregate cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States;] the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services; and all administrative expenses, reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts [of the Corporation] shall be made in accordance with generally recognized accounting principles and practices. (*Treasury-Post Office Appropriation Act, 1958.*)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Liquidation of lending program	$1,090,206	$340,000	$185,000
Deduct portion not chargeable to limitation	143,379	25,000	25,000
Total accrued administrative expenses	946,827	315,000	160,000
Financing:			
Limitation	1,060,000	800,000	160,000
Transferred (Reorganization Plan No. 1 of 1957) to—			
"Reconstruction Finance Corporation liquidation fund," General Services Administration		−55,000	
"Salaries and expenses," Small Business Administration		−408,000	
"Administrative expenses, revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency		−22,000	
Limitation (adjusted)	1,060,000	315,000	160,000
Unobligated balance no longer available	−35,273		
Comparative transfers to other accounts	−77,900		
Adjusted accrued administrative expenses	946,827	315,000	160,000

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	148	40	18
Average number of all employees	105	30	17
Number of employees at end of year	92	18	12
Average GS grade and salary	10.1 $7,373	9.3 $7,294	9.8 $7,855
01 Personal services:			
Permanent positions	$760,706	$235,430	$135,100
Other personal services	10,980	13,570	400
Total personal services	771,686	249,000	135,500
02 Travel	15,588	3,000	3,000
03 Transportation of things	1,275	500	100
04 Communication services	18,376	6,500	3,300
05 Rents and utility services	92,344	10,000	
06 Printing and reproduction	266	500	200
07 Other contractual services	11,322	3,000	1,600
General Accounting Office audit	20,690	21,000	4,000
Services performed by other agencies	6,345	4,000	2,500
08 Supplies and materials	7,224	2,500	900
09 Equipment	1,210		
11 Grants, subsidies, and contributions		15,000	8,900
13 Refunds, awards, and indemnities	400		
15 Taxes and assessments	101		
Total accrued administrative expenses	946,827	315,000	160,000

LIQUIDATION OF SMALLER WAR PLANTS CORPORATION

NOTE.—Pursuant to Reorganization Plan No. 1 of 1957, the assets and liabilities of the Corporation were transferred to General Services Administration for final liquidation.

LIQUIDATION OF WORLD WAR II ASSETS

NOTE.—Pursuant to Reorganization Plan No. 1 of 1957, the assets and liabilities of World War II programs were transferred to General Services Administration for final liquidation.

CIVIL DEFENSE LOANS

CIVIL DEFENSE PROGRAM FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Interest on borrowing (total obligations)	$30,477	$20,000	$18,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan repayments	755,277	97,289	102,000
Interest on loans	88,932	68,000	61,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	245,355,845	246,289,937	246,547,866
Recovery of prior year obligations	120,360	112,640	151,000
Total amounts available	246,320,414	246,567,866	246,861,866
Unobligated balance carried forward (authorization to expend from public debt receipts)	−246,289,937	−246,547,866	−246,843,866
Financing applied to program	30,477	20,000	18,000

The Secretary of the Treasury is authorized to purchase securities or make loans (including participations therein and guaranties thereof) to aid in financing projects for civil-defense purposes upon certification by the Federal Civil Defense Administrator (sec. 409, Federal Civil Defense Act and sec. 104, Reconstruction Finance Corporation Liquidation Act). Investments under the program are limited to a total of $250 million outstanding at any one time.

Budget program.—The sole program cost continues to be the payment of interest on borrowings from Treasury. So far all loans and commitments, of which approximately $1 million are still outstanding, have been made to assist in financing construction of hospitals.

It is anticipated that there will be no additional loans authorized during 1958 and 1959.

Financing.—Program activities are financed from borrowings from Treasury. The unobligated balance of such authority at the end of 1959 is estimated to increase slightly to $247 million.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$30,477	$20,000	$18,000
Increase in selected working capital	10,113	1,071	2,000
Total gross expenditures	40,590	21,071	20,000
Receipts from operations (funds provided):			
Loan repayments	755,277	97,289	102,000
Revenue	88,932	68,000	61,000
Total receipts from operations	844,209	165,289	163,000
Budget expenditures	−803,619	−144,218	−143,000

Revenue, Expense, and Retained Earnings

Revenue	$88,932	$68,000	$61,000
Expense	30,477	20,000	18,000
Net income for the year	58,455	48,000	43,000
Retained earnings, beginning of year	138,411	196,866	244,866
Retained earnings, end of year	196,866	244,866	287,866

Financial Condition

Assets:			
Cash with Treasury	$61,648	$50,866	$50,866
Accounts receivable, net	4,623	4,000	4,000
Loans receivable	1,207,289	1,110,000	1,008,000
Total assets	1,273,560	1,164,866	1,062,866
Liabilities:			
Current	11,694	10,000	8,000
Government investment:			
Interest bearing capital:			
Start of year	1,930,000	1,065,000	910,000
Borrowings from Treasury during year, net (−)	−865,000	−155,000	−143,000
End of year	1,065,000	910,000	767,000
Retained earnings	196,866	244,866	287,866
Total Government investment	1,261,866	1,154,866	1,054,866

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash	$123,029	$61,648	$50,866	$50,866
Budget authorizations	248,070,000	248,935,000	249,090,000	249,233,000
Total unexpended balance	248,193,029	248,996,648	249,140,866	249,283,866
Obligated balance, net:				
Current liabilities	21,428	11,694	10,000	8,000
Undisbursed loan obligations	2,820,000	2,699,640	2,587,000	2,436,000
Accounts receivable, net (−)	−4,244	−4,623	−4,000	−4,000
Total obligated balance	2,837,184	2,706,711	2,593,000	2,440,000
Unobligated balance	245,355,845	246,289,937	246,547,866	246,843,866

Object Classification

	1957 actual	1958 estimate	1959 estimate
14 Interest	$30,477	$20,000	$18,000

FEDERAL FACILITIES CORPORATION

NOTE.—Pursuant to Executive Order 10720, the documents evidencing ownership of the Corporation by the United States were transferred from the Secretary of the Treasury to the Administrator of General Services Administration.

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, OFFICE OF THE SECRETARY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Executive direction	$40,135	$26,986	
2. Administration and coordination of legal services	5,337	8,844	$8,830
3. General administrative services	54,471	80,820	148,420
4. Operation and maintenance of Treasury buildings	22,453	18,000	18,000
5. Employee health program		3,450	3,450
Total obligations	122,396	138,100	178,700
Financing:			
Unobligated balance brought forward	4	19	
Advances and reimbursements from other accounts	122,411	138,081	178,700
Unobligated balance carried forward	−19		
Total financing	122,396	138,100	178,700

Object Classification

Total number of permanent positions		5		14		23
Average number of all employees		5		14		23
Number of employees at end of year		2		11		20
Average GS grade and salary	13.0	$9,375	5.0	$4,383	4.5	$4,032
01 Personal services:						
Permanent positions		$39,846		$65,780		$102,518
Other personal services		168		260		382
Total personal services		40,014		66,040		102,900
02 Travel		67				
04 Communication services		37,431		40,230		41,150
05 Rents and utility services		24,163		4,000		4,000
06 Printing and reproduction		292		200		200
07 Other contractual services		27		100		300
Services performed by other agencies				3,450		3,450
08 Supplies and materials		20,364		20,500		20,500
11 Grants, subsidies, and contributions				3,580		6,200
13 Refunds, awards, and indemnities		38				
Total obligations		122,396		138,100		178,700

ADVANCES AND REIMBURSEMENTS, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Liquidation of lending program (total obligations)	$16,792		
Financing:			
Advances and reimbursements from other accounts	16,792		

Object Classification

Total number of permanent positions		3				
Average number of all employees		2				
Number of employees at end of year		1				
Average GS grade and salary	10.7	$8,144				
01 Personal services:						
Permanent positions		$15,294				
Other personal services		51				
Total personal services		15,345				
02 Travel		32				
04 Communication services		226				
05 Rents and utility services		943				
07 Other contractual services		11				
08 Supplies and materials		235				
Total obligations		16,792				

BUREAU OF ACCOUNTS

The Bureau maintains the central revenue, appropriation, and expenditure accounts; prepares the central financial reports of the Government; and performs other fiscal functions.

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Accounts, [$3,125,000] *$3,110,000. (Reorganization Plan No. III (effective June 30, 1940), issued under the Reorganization Act of 1939 (5 U. S. C. 133t note); 5 U. S. C. 258a (b); Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$3,125,000** Estimate 1959, [a] **$3,110,000**
Appropriated (adjusted) 1958, **$3,113,020**

[a] Excludes $15,000 for activities transferred in the estimates to "Salaries and expenses," Office of the Secretary. The amounts obligated in 1957 and a portion of the 1958 obligations are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Processing deposits of withheld tax payments	$1,027,526	$1,076,278	$1,106,529
2. Financial reporting and maintenance of the Government's central accounts	1,407,562	1,439,317	1,425,243
3. Accounting and reporting development and internal audit	172,494	180,262	175,964
4. Processing investments, loans, claims, collections, and surety bonds	148,404	169,599	165,672
5. Supervision of the Federal depositary system	131,895	143,160	143,321
6. Executive direction	95,659	93,384	93,271
Total obligations	2,983,540	3,102,000	3,110,000
Financing:			
Comparative transfers to other accounts	12,273	3,020	
Unobligated balance no longer available	11,187	8,000	
New obligational authority	3,007,000	3,113,020	3,110,000
New obligational authority:			
Appropriation	$3,007,000	$3,125,000	$3,110,000
Transferred to "Salaries and expenses," Office of the Secretary (Reorganization Plan No. 26 of 1950)		−11,980	
Appropriation (adjusted)	3,007,000	3,113,020	3,110,000

The appropriation estimate for 1959 has been held to about the 1958 level, although it is estimated that the work volume for processing deposits of withheld taxpayments will increase.

1. *Processing deposits of withheld taxpayments.*—Employers and certain business enterprises deposit monthly, with designated banks, excise, withheld income, railroad retirement, and withheld social security taxes, to the credit of the Treasurer of the United States. The Federal Reserve banks, acting as fiscal agents of the Treasury, issue depositary receipts which the employers attach to their returns as evidence of payment of taxes. Of the obligations estimated for 1959, $509,000 will be charged against the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund. The work volume is estimated at 9,050,000 depositary receipts in 1958 and 9,200,000 in 1959, compared to 8,837,086 in 1957.

2. *Financial reporting and maintenance of the Government's central accounts.*—This activity includes the maintenance of central accounts on appropriations, receipts, and expenditures which provide data for financial statements. It also includes the preparation and publication

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of financial reports on the Government's fiscal operations, such as the annual Combined Statement of Receipts, Expenditures, and Balances; the Monthly Treasury Statement; the Secretary's Annual Report; the Treasury Bulletin; and reports on foreign currencies acquired without payment of dollars. The volume of accounting items is estimated at 5,011,000 in 1958 and 1959 as compared with 5,239,286 in 1957.

3. *Accounting and reporting development and internal audit.*—This activity includes furnishing technical accounting advice and assistance to all bureaus and offices of the Treasury, participating in the governmentwide accounting improvement program, performing internal audit in the Bureau, and coordinating Treasury fiscal internal audit.

4. *Processing investments, loans, claims, collections, and surety bonds.*—Investments in interest-bearing securities are processed for certain funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, the veterans insurance trust fund, and various Government retirement funds. The work includes purchase and disposal of securities, processing of capital stock subscriptions of Government corporations, payment of international and other claims, and examination of the financial condition of companies issuing surety bonds in favor of the United States. The number of transactions is estimated at 236,000 for 1958 and 1959 as compared with 226,535 for 1957.

5. *Supervision of the Federal depositary system.*—Banking facilities are provided for all agencies of the Government through the designation of selected institutions to act as official depositaries of the Government's funds. Workload is expected to increase in 1959 as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Number of depositaries	3,724	3,840	3,935
Authorizations, end of year	8,063	8,116	8,234

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	359	349	336
	Average number of all employees	355	344	334
	Number of employees at end of year	346	337	334
	Average GS grade and salary	6.0 $4,990	6.1 $5,085	6.0 $5,144
01	Personal services:			
	Permanent positions	$1,773,866	$1,735,686	$1,710,835
	Other personal services	6,335	9,609	9,609
	Total personal services	1,780,201	1,745,295	1,720,444
02	Travel	4,707	4,000	4,000
03	Transportation of things	2,794	2,900	2,900
04	Communication services	17,713	18,000	18,000
05	Rents and utility services	53,822	54,000	54,000
06	Printing and reproduction	129,989	129,255	130,941
07	Other contractual services	13,099	13,165	13,165
	Reimbursement to Federal Reserve banks	954,405	1,001,835	1,030,400
08	Supplies and materials	12,367	12,500	12,500
09	Equipment	12,879	11,500	11,500
11	Grants, subsidies, and contributions		109,150	111,750
13	Refunds, awards, and indemnities	1,165		
15	Taxes and assessments	399	400	400
	Total obligations	2,983,540	3,102,000	3,110,000

Salaries and Expenses, Division of Disbursement

For necessary expenses of the Division of Disbursement, [$17,000,000] *$17,340,000. (Executive Order 6166, sec. 4, June 10, 1933 (note following 5 U. S. C. 124–132); 31 U. S. C. 157; Treasury-Post Office Appropriation Act, 1958).*

Appropriated 1958, **$17,000,000** Estimate 1959, [a] **$17,340,000**
Appropriated (adjusted) 1958, **$17,354,000**

[a] Includes $400,000 for activities previously carried under "Administering the public debt." The amounts obligated in 1957 and a portion of the 1958 obligations are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Processing payments	$16,362,754	$17,023,059	$17,029,428
2. Issuance of savings bonds	297,196	310,066	310,572
Total obligations	16,659,950	17,333,125	17,340,000
Financing:			
Comparative transfers from (−) other accounts	−415,000	−29,125	
Unobligated balance no longer available	30,050	50,000	
New obligational authority	16,275,000	17,354,000	17,340,000
New obligational authority:			
Appropriation	$16,275,000	$17,000,000	$17,340,000
Transferred from "Administering the public debt" (Reorganization Plan No. 26 of 1950)		354,000	
Appropriation (adjusted)	16,275,000	17,354,000	17,340,000

The Division of Disbursement, through its 21 regional offices, makes payments for civilian Federal agencies, except the Post Office Department and certain Government corporations, and issues savings bonds for Federal employees under the payroll savings plan.

The increased workload in 1959 is due to 3.8 million additional social security, veterans, and civil service retirement annuity payments. In addition the function of issuing interest checks to holders of Government securities was transferred from the Bureau of the Public Debt effective August 1, 1957.

The funds required are determined by multiplying the number of units to be processed by the unit cost per item as shown in the following tables:

WORK VOLUME

	1957 actual	*1958 estimate*	*1959 estimate*
1. Processing payments	243,220,304	255,520,000	258,996,000
2. Issuance of savings bonds	2,941,416	3,000,000	3,000,000

UNIT COST

1. Processing payments	$0.0673	$0.0666	$0.0658
2. Issuance of savings bonds	.1010	.1033	.1035

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	1,822	1,777	1,739
	Full-time equivalent of all other positions	179	157	115
	Average number of all employees	1,958	1,879	1,801
	Number of employees at end of year	1,859	2,202	1,764
	Average GS grade and salary	3.5 $3,780	3.5 $3,818	3.5 $3,845
01	Personal services:			
	Permanent positions	$6,743,980	$6,569,489	$6,472,549
	Positions other than permanent	511,036	467,174	340,528
	Other personal services	72,595	55,170	55,180
	Total personal services	7,327,611	7,091,833	6,868,257
02	Travel	33,541	33,900	33,900
03	Transportation of things	63,464	67,400	67,400
04	Communication services	6,375,595	6,672,700	6,816,200
05	Rents and utility services	338,936	415,000	458,200
06	Printing and reproduction	47,522	38,000	39,700
	Purchase of blank checks	582,960	636,374	655,115
07	Other contractual services	93,638	98,645	99,590
	Services performed by other agencies	734,196	784,855	797,110
08	Supplies and materials	922,523	951,926	943,085
09	Equipment	116,131	95,826	97,199
11	Grants, subsidies, and contributions		427,780	445,303
13	Refunds, awards, and indemnities	4,920		
15	Taxes and assessments	18,913	18,886	18,941
	Total obligations	16,659,950	17,333,125	17,340,000

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BUREAU OF ACCOUNTS—Continued

Current authorizations—Continued

CLAIMS, JUDGMENTS, AND PRIVATE RELIEF ACTS

Appropriated (est.) 1958, **$8,912,079** Estimate 1959, **$5,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total obligations)	$12,158,099	$8,912,079	$5,000,000
Financing:			
Recovery of prior year obligations	−26,495		
Unobligated balance no longer available	26,495		
Appropriation (new obligational authority):			
Current definite	8,394,983	3,912,079	
Permanent indefinite	3,763,116	5,000,000	5,000,000

Appropriations are made to pay claims and interest for damages not chargeable to appropriations of individual agencies, and for payment of private relief acts. Effective August 1956, appropriations are made individually for judgments over $100,000, while 70 Stat. 694 authorized a permanent indefinite appropriation to pay judgments under $100,000 from the general fund of the Treasury.

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$11,831,589	$8,612,079	$4,700,000
14 Interest	326,510	300,000	300,000
Total obligations	12,158,099	8,912,079	5,000,000

Permanent authorizations:

INTEREST ON UNINVESTED FUNDS

(Indefinite)

Appropriated (est.) 1958, **$6,431,725** Estimate 1959, **$6,632,625**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of awards (total obligations)	$6,264,507	$6,431,725	$6,632,625
Financing:			
Appropriation (new obligational authority)	6,264,507	6,431,725	6,632,625

Under conditions of the law creating each trust, interest accruing and payable from the general fund of the Treasury is appropriated for transfer to the proper trust fund receipt account (31 U. S. C. 7255; 2 U. S. C. 158; 20 U. S. C. 54–55, 74a, and 101; 24 U. S. C. 46; various treaties; and 69 Stat. 533).

The following schedule details the interest obligations under this account:

	Annual rate of interest (%)	*1957 actual*	*1958 estimate*	*1959 estimate*
Bequest of Gertrude M. Hubbard, Library of Congress	4	$800	$800	$800
Library of Congress trust fund	4	144,595	145,925	146,825
Expenses of Smithsonian Institution	6	60,000	60,000	60,000
National Gallery of Art trust fund	4	200,000	200,000	200,000
Education of the blind	4	10,000	10,000	10,000
Soldiers' Home permanent fund	3	2,161,386	2,300,000	2,500,000
Indian trust funds	3.5	3,672,741	3,700,000	3,700,000
Oliver Wendell Holmes devise fund	3.5	14,985	15,000	15,000
Total obligations		6,264,507	6,431,725	6,632,625

Object Classification

	1957 actual	1958 estimate	1959 estimate
14 Interest	$6,264,507	$6,431,725	$6,632,625

PAYMENT OF CERTIFIED CLAIMS

(Indefinite)

Amounts Available for Settlement of Claims

	1957 actual	1958 estimate	1959 estimate
Balance brought forward for settlement of claims	$1,272,923,346		
Credits from appropriations expiring at end of the preceding year	5,157,140		
Amounts restored to agency accounts for future payment of claims	−468,537,800		
Balance no longer available (carried to surplus)	−779,820,381		
Settlement of claims	29,722,305		

The balances of lapsed general fund appropriations were consolidated in this account and used for payment of claims (31 U. S. C. 712 *a* and *b*). Beginning in 1957, such claims are charged to accounts established for that purpose by the various agencies (70 Stat. 647).

PAYMENT TO UNEMPLOYMENT TRUST FUND

(Indefinite)

Appropriated (est.) 1958, **$48,717,000** Estimate 1959, **$25,150,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to unemployment trust fund (total obligations)	$71,195,220	$48,717,000	$25,150,000
Financing:			
Appropriation (new obligational authority)	71,195,220	48,717,000	25,150,000

At the end of each year, the Secretary of the Treasury estimates the excess of Federal unemployment tax receipts for the year over expenditures for unemployment compensation and employment service administration. This payment is determined as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Estimated Federal unemployment tax receipts	$330,000,000	$342,000,000	$350,000,000
Less:			
Tax refunds, including interest	2,764,527	2,764,500	2,764,500
Adjustment of prior year estimate	76,347		
Adjusted tax receipts	327,159,126	339,235,500	347,235,500
Less expenses incurred:			
Internal Revenue Service	3,413,089	3,413,521	3,413,556
Other Treasury bureaus	21,138	21,050	21,050
Department of Labor:			
Grants to States	247,050,093	286,956,207	318,520,000
Administrative expenses	5,479,586	127,722	130,894
Payment to unemployment trust fund	71,195,220	48,717,000	25,150,000

This appropriation transfers the estimated excess into the unemployment trust fund, where a portion is allocated to the Federal unemployment account to bring the balance of that account to $200,000,000, and the remainder is allocated to the trust accounts of the various States (68 Stat. 668).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$71,195,220	$48,717,000	$25,150,000

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Permanent Private Relief Acts

Appropriated 1958, **$1,620** Estimate 1959, **$1,620**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of awards (total obligations)	$1,620	$1,620	$1,620
Financing:			
Appropriation (new obligational authority)	1,620	1,620	1,620

Statutory awards are paid to Herman F. Kraft and Sara E. Edge (46 Stat. 1921; 52 Stat. 1334).

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$1,620	$1,620	$1,620

Refund of Moneys Erroneously Received and Covered

Appropriated (est.) 1958, **$2,000,000** Estimate 1959, **$2,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total obligations)	$2,079,309	$2,000,000	$2,000,000
Financing:			
Appropriation (new obligational authority)	2,079,309	2,000,000	2,000,000

Certificates of settlement, approved by the General Accounting Office, are paid for amounts which Federal agencies have erroneously deposited into the Treasury as miscellaneous receipts but which should have been deposited into other accounts or returned to the payees (63 Stat. 358).

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$2,079,309	$2,000,000	$2,000,000

Public enterprise funds:

Fund for Payment of Government Losses in Shipment

To increase the capital of the "Fund for payment of Government losses in shipment," in accordance with section 2 of the Act approved July 8, 1937 (5 U. S. C. 134a), $100,000, to remain available until expended.

Estimate 1959, **$100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total costs—obligations)	$47,013	$51,000	$51,000
Financing:			
Amounts becoming available:			
Appropriation			100,000
Revenue: Recoveries of losses	711	1,000	1,000
Total amounts becoming available	711	1,000	101,000
Unobligated balance brought forward	139,895	93,593	43,593
Total amounts available	140,606	94,593	144,593
Unobligated balance carried forward	−93,593	−43,593	−93,593
Financing applied to program	47,013	51,000	51,000

This revolving fund was created as self-insurance to cover claims resulting from losses in shipment of Government property such as coin, currency, and securities (5 U. S. C. 134). Since these claims are only partially offset by recoveries, the deficit has gradually increased until it amounted to $800,210 as of June 30, 1957, and is expected to increase to $850,210 by June 30, 1958. In order to place the fund on a sound basis, an appropriation of $100,000 is requested for 1959.

Sources and Application f Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Payment of claims: Expense	$47,013	$51,000	$51,000
Receipts from operations (funds provided):			
Payment of claims: Recoveries of losses	711	1,000	1,000
Decrease in selected working capital	788		
Total receipts from operations	1,499	1,000	1,000
Budget expenditures	45,514	50,000	50,000

Revenue, Expense, and Retained Earnings

Payment of claims:			
Revenue	$711	$1,000	$1,000
Expense	47,013	51,000	51,000
Net loss (−) for the year	−46,302	−50,000	−50,000
Deficit (−), beginning of year	−753,908	−800,210	−850,210
Deficit (−), end of year	−800,210	−850,210	−900,210

Financial Condition

Assets:			
Cash with Treasury	$112,649	$62,649	$112,649
Liabilities:			
Current	19,056	19,056	19,056
Government investment:			
Non-interest-bearing capital:			
Start of year	893,803	893,803	893,803
Appropriation during year			100,000
End of year	893,803	893,803	993,803
Deficit (−)	−800,210	−850,210	−900,210
Total Government investment	93,593	43,593	93,593

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$158,163	$112,649	$62,649	$112,649
Obligated balance, net:				
Current liabilities	18,268	19,056	19,056	19,056
Unobligated balance	139,895	93,593	43,593	93,593

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$47,013	$51,000	$51,000

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Processing payments	$320,554	$328,786	$317,799
2. Miscellaneous services for other accounts	7,068		
Total obligations	327,622	328,786	317,799
Financing:			
Advances and reimbursements from other accounts	327,622	328,786	317,799

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BUREAU OF ACCOUNTS—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		51	48	46
Full-time equivalent of all other positions		1	1	1
Average number of all employees		50	48	46
Number of employees at end of year		50	48	46
Average GS grade and salary		3.5 $3,780	3.5 $3,818	3.5 $3,845
01	Personal services:			
	Permanent positions	$191,263	$178,597	$172,482
	Positions other than permanent	1,243	2,960	2,960
	Other personal services		600	592
	Total personal services	192,506	182,157	176,034
02	Travel	458	456	456
03	Transportation of things	954	951	951
04	Communication services	102,429	102,340	98,740
05	Rents and utility services	6,663	6,653	6,653
06	Printing and reproduction	423	422	410
	Purchase of blank checks	8,626	8,956	8,653
07	Other contractual services	1,137	1,130	1,130
08	Supplies and materials	13,092	12,911	11,500
09	Equipment	903	902	902
11	Grants, subsidies, and contributions		11,547	12,009
13	Refunds, awards, and indemnities	69		
15	Taxes and assessments	362	361	361
	Total obligations	327,622	328,786	317,799

BUREAU OF THE PUBLIC DEBT

Current authorizations:

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, [$45,900,000] *$44,600,000. (31 U. S. C. 731–774; 12 U. S. C. 391; 69 Stat. 82; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$45,900,000** Estimate 1959, [a] **$44,600,000**
Appropriated (adjusted) 1958, **$45,546,000**

[a] Excludes $383,125 for activities transferred in the estimates to "Salaries and expenses, Division of Disbursement." The amounts obligated in 1957 and a portion of the 1958 obligations are shown in the schedule as comparative transfers.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Issuance, servicing, and retirement of savings bonds	$32,902,852	$32,931,645	$32,323,656
2. Issuance, servicing, and retirement of other Treasury securities	6,128,659	6,352,688	6,351,825
3. Maintenance and audit of public debt accounts	742,879	779,937	745,514
4. Promotion of the sale of savings bonds	5,054,396	5,254,000	5,072,000
5. Executive direction	108,002	105,605	107,005
Total obligations	45,026,788	45,423,875	44,600,000
Financing:			
Comparative transfers to other accounts	415,000	29,125	
Unobligated balance no longer available	58,212	93,000	
New obligational authority	45,500,000	45,546,000	44,600,000
New obligational authority:			
Appropriation	$45,500,000	$45,900,000	$44,600,000
Transferred to "Salaries and expenses, Division of Disbursement" (Reorganization Plan No. 26 of 1950)		−354,000	
Appropriation (adjusted)	45,500,000	45,546,000	44,600,000

This appropriation provides funds for public debt operations and for the promotion of the sale of United States savings bonds and stamps.

1. *Issuance, servicing, and retirement of savings bonds.*—This activity consists of (1) procuring, receiving, storing, and distributing bond stocks; (2) issuing bonds and maintaining records relating thereto; (3) adjudicating claims for the replacement or payment of lost, stolen or mutilated bonds; (4) handling reissues and other transactions incident to servicing outstanding bonds; (5) retiring bonds; and (6) determining and authorizing semiannual interest payments on Series G, H, and K bonds. The 1959 estimate reflects the adoption of punchcard-type savings bonds and the installation of electronic processing equipment to record the sale and redemption of savings bonds.

UNITED STATES SAVINGS BONDS, SERIES A THROUGH K

[Number of pieces]

	1957 actual	1958 estimate	1959 estimate
Issues:			
Sales, original issue	90,565,841	93,900,000	97,000,000
Reissues, exchanges, and claims	2,504,452	2,800,000	2,900,000
Total	93,070,293	96,700,000	100,800,000
Retirements:			
Redemptions	95,564,308	91,000,000	89,500,000
Reissues, exchanges, claims, and spoils	4,800,413	5,400,000	5,500,000
Total	100,364,721	96,400,000	95,000,000

2. *Issuance, servicing, and retirement of other Treasury securities.*—This activity covers the same type of functions as described above for all United States securities other than savings bonds.

TREASURY SECURITIES OTHER THAN SAVINGS BONDS

[Number of pieces]

	1957 actual	1958 estimate	1959 estimate
Issues:			
Original issue	1,677,286	1,800,000	1,800,000
Other transactions	1,314,089	1,900,000	1,900,000
Total	2,991,375	3,700,000	3,700,000
Retirements:			
Redemptions	2,209,047	1,800,000	1,800,000
Other transactions	1,247,518	1,300,000	1,300,000
Total	3,456,565	3,100,000	3,100,000

3. *Maintenance and audit of public debt accounts.*—Control accounts are maintained over all transactions affecting the public debt. Provision is also made for the audit and verification of security stocks and the performance of other internal audit functions.

4. *Promotion of the sale of savings bonds.*—This activity consists of continuous sales promotion efforts using press, radio, other advertising media and organized groups, augmented by concentrated sales campaigns, with strong emphasis on payroll savings plans.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Total number of permanent positions		3,852	4,039	3,316
Full-time equivalent of all other positions		3	3	2
Average number of all employees		3,580	3,463	3,098
Number of employees at end of year		3,513	3,450	3,123
Average GS grade and salary		4.1 $4,201	4.1 $4,191	4.5 $4,380
01	Personal services:			
	Permanent positions	$15,105,151	$14,830,300	$13,666,788
	Positions other than permanent	20,911	23,471	12,156
	Other personal services	178,614	69,728	62,621
	Total personal services	15,304,676	14,923,499	13,741,565
02	Travel	432,795	471,591	437,936
03	Transportation of things	177,012	207,000	191,700
	Registry fees payable under Public Law 705	400,000	400,000	400,000
04	Communication services	1,350,692	1,359,150	1,425,460
05	Rents and utility services	758,213	940,412	1,689,145
06	Printing and reproduction	705,009	597,659	543,040
	Printing of Government securities	2,104,057	1,950,000	1,790,000
07	Other contractual services	369,192	370,130	300,700
	Services performed by other agencies	278,489	298,000	298,000
	Federal Reserve banks	21,917,853	21,600,000	21,350,000
	Post Office Department	648,499	675,000	801,000
08	Supplies and materials	406,506	545,015	573,779
09	Equipment	133,620	142,369	152,865
11	Grants, subsidies, and contributions		925,646	890,275
13	Refunds, awards, and indemnities	22,999		
15	Taxes and assessments	17,176	18,404	14,535
	Total obligations	45,026,788	45,423,875	44,600,000

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OFFICE OF THE TREASURER

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, $17,950,000. *(31 U. S. C. 141–155, 157, 545, 548; 12 U. S. C. 121, 127, 411–422; 69 Stat. 82; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$17,950,000** Estimate 1959, **$17,950,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct obligations:			
1. Check payment and reconciliation	$2,233,618	$2,733,900	$2,714,100
2. Processing check claims	1,202,348	1,342,100	1,353,600
3. General banking services	337,950	356,700	357,400
4. Retirement of currency	603,756	648,500	654,500
5. Maintenance of Treasurer's accounts	337,603	344,200	344,900
6. Payment and custody of securities	286,846	312,300	313,000
7. Procurement and transportation of U. S. currency	10,004,762	12,114,000	12,114,000
8. Executive direction	88,730	98,300	98,500
Total direct obligations	15,095,613	17,950,000	17,950,000
Reimbursable obligations:			
1. Check payment and reconciliation	62,923	81,700	83,600
2. Processing check claims	39,027	42,800	43,200
3. General banking services	10,756	11,700	11,700
4. Retirement of currency	422,227	461,000	461,900
Total reimbursable obligations	534,933	597,200	600,400
Total obligations	15,630,546	18,547,200	18,550,400
Financing:			
Advances and reimbursements from—			
Other accounts	−101,758	−124,000	−126,300
Non-Federal sources (31 U. S. C. 157 and 40 U. S. C. 481 (c))	−433,175	−473,200	−474,100
Unobligated balance no longer available	29,387		
Appropriation (new obligational authority)	15,125,000	17,950,000	17,950,000

This office (*a*) receives, keeps, and disburses the moneys of the United States; (*b*) receives, stores, issues, transfers, and retires currency; (*c*) issues and redeems Government securities; (*d*) maintains fiscal accounts; and (*e*) prepares financial statements and reports.

1. *Check payment and reconciliation.*—This consists of maintaining checking accounts of Government disbursing officers and Government-owned corporations, processing documents crediting Government disbursing accounts, performing centralized payment function of all checks drawn on the Treasurer of the United States, reconciling deposits claimed and checks issued as reported by disbursing officers with the deposits credited and checks paid by the Treasurer, and determining the outstanding checks in each disbursing account.

The continuing volume of Federal expenditures by the Department of Defense and the increasing checkload for social security and tax refund payments have resulted in a constant increase in workload. The program to convert to an integrated electronic system for payment and reconciliation of checks has been completed.

CHECK VOLUME

[In thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
Checks paid	351,195	377,451	378,166

2. *Processing check claims.*—This consists of the processing of all claims for the proceeds of Government checks, including the allowance or disallowance of claims against the United States and the enforcing of claims of the United States against banks, endorsers, principals, and sureties or other parties having liability due to the fraudulent or otherwise improper negotiation of checks.

WORK VOLUME

	1957 actual	*1958 estimate*	*1959 estimate*
Type of case processed:			
Paid check cases	109,420	111,450	112,450
Outstanding check cases	69,990	72,700	73,400
Authority cases	7,202	7,250	7,350

UNIT COSTS PER CASE

Type of case processed:			
Paid check cases	$8.81	$9.63	$9.63
Outstanding check cases	3.23	3.50	3.50
Authority cases	1.78	1.93	1.93

3. *General banking services.*—General banking services are provided for accountable Government officers and for banks in the District of Columbia.

WORKLOAD OF MEASURABLE OPERATIONS

[In thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
Treasury checks and other obligations paid in cash	400	430	430
Commercial checks, drafts, and money orders processed for collection	6,328	6,500	6,500
Pieces of paper currency issued	1,221,620	1,260,000	1,260,000

4. *Retirement of currency.*—United States currency unfit for further circulation is verified and destroyed by the Federal Reserve banks on a reimbursable basis. Currency received from local sources, as well as all mutilated currency, is processed for retirement or reissue in Washington. The pieces of currency destroyed are estimated to be 1.23 billion in both 1958 and 1959 as compared to 1.19 billion in 1957.

5. *Maintenance of the Treasurer's accounts.*—Controlling accounts covering receipts and disbursements are maintained for all funds placed in the custody of the Treasurer, and reports are prepared, including the daily statement of the Treasury and a monthly statement of money held in the Treasury and paper currency in circulation.

6. *Payment and custody of securities.*—This consists of payment of principal and interest on public debt obligations, including those of Government corporations, and provision of safekeeping facilities for securities, trust funds, and savings bonds.

WORKLOAD OF MEASURABLE OPERATIONS

[In thousands]

	1957 actual	*1958 estimate*	*1959 estimate*
U. S. savings bonds:			
Payments	83	83	83
Sales	47	50	50
Reissues	28	35	35
Other public debt and guaranteed obligations:			
Payments	234	235	245
Issue and exchange transactions	49	55	60
Deposits and withdrawals from custody	34	34	34

7. *Procurement and transportation of U. S. currency.*—All U. S. paper currency is procured by the Treasurer from the Bureau of Engraving and Printing on a reimbursable basis. The Treasurer pays transportation costs for new currency to the Federal Reserve banks and depositaries.

FACTORS DETERMINING REQUIREMENTS

[In thousands of notes]

	1957 actual	*1958 estimate*	*1959 estimate*
New currency procured	1,064,864	1,185,436	1,185,436
New currency issued	1,221,620	1,260,000	1,260,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,048	999	1,028
Full-time equivalent of all other positions		4	4
Average number of all employees	926	952	978
Number of employees at end of year	924	987	974
Average GS grade and salary	4.5 $4,273	4.7 $4,339	4.7 $4,315

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OFFICE OF THE TREASURER—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Personal service obligations:			
Permanent positions	$4,009,373	$4,146,400	$4,243,300
Positions other than permanent		13,000	13,000
Other personal services	48,483	73,700	73,900
Total personal service obligations	4,057,856	4,233,100	4,330,200
Direct obligations:			
01 Personal services	3,603,060	3,751,000	3,845,000
02 Travel	4,919	15,200	15,200
03 Transportation of things	509,895	592,400	578,000
04 Communication services	38,136	43,700	43,700
05 Rents and utility services	732,337	1,030,200	928,200
06 Printing and reproduction	40,313	43,100	43,100
Purchase of U. S. currency	9,569,968	11,558,000	11,558,000
07 Other contractual services	53,281	159,600	159,600
Services performed by Federal Reserve banks	303,418	324,000	324,000
08 Supplies and materials	194,307	178,200	171,700
09 Equipment	40,000	24,800	38,600
11 Grants, subsidies, and contributions		229,500	244,600
13 Refunds, awards, and indemnities	5,768		
15 Taxes and assessments	211	300	300
Total direct obligations	15,095,613	17,950,000	17,950,000
Reimbursable obligations:			
01 Personal services	454,796	482,100	485,200
02 Travel	32	200	200
03 Transportation of things	6,283	5,400	5,000
04 Communication services	4,908	5,100	5,100
05 Rents and utility services	24,163	34,800	32,800
06 Printing and reproduction	2,513	2,400	2,500
07 Other contractual services	29,826	29,900	29,900
08 Supplies and materials	8,607	5,400	6,500
09 Equipment	2,919	1,800	1,700
11 Grants, subsidies, and contributions		30,100	31,500
13 Refunds, awards, and indemnities	358		
15 Taxes and assessments	528		
Total reimbursable obligations	534,933	597,200	600,400
Total obligations	15,630,546	18,547,200	18,550,400

Public enterprise funds:

CHECK FORGERY INSURANCE FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Losses on accounts receivable (total costs—obligations)	$2,220	$306	$400
Financing:			
Amounts becoming available: Adjustment of prior year revenue	22,946		
Unobligated balance brought forward	23,980	44,706	44,400
Total amounts available	46,926	44,706	44,400
Unobligated balance carried forward	−44,706	−44,400	−44,000
Financing applied to program	2,220	306	400

This fund covers settlements on lost or stolen checks which have been paid on forged endorsements. These settlements are financed out of the initial capital of $50,000 (31 U. S. C. 561).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense	$2,220	$306	$400
Working capital absorbed	22,946		
Increase in selected working capital		2,787	
Total gross expenditures	25,166	3,093	400

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Adjustment of prior year revenue	$22,946		
Decrease in selected working capital	6,333		$1,900
Total receipts from operations	29,279		1,900
Budget expenditures	−4,113	$3,093	−1,500

Revenue, Expense, and Retained Earnings

Expense (net loss (−) for the year)	−$2,220	−$306	−$400
Analysis of deficit (−):			
Deficit (−), beginning of year	−26,020	−5,294	−5,600
Adjustment of prior year revenue	22,946		
Deficit (−), end of year	−5,294	−5,600	−6,000

Financial Condition

Assets:			
Cash with Treasury	$28,093	$25,000	$26,500
Accounts receivable	16,613	19,400	17,500
Total assets	44,706	44,400	44,000
Government investment:			
Non-interest-bearing capital	50,000	50,000	50,000
Deficit (−)	−5,294	−5,600	−6,000
Total Government investment	44,706	44,400	44,000

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$23,980	$28,093	$25,000	$26,500
Obligated balance: Accounts receivable, net (−)		−16,613	−19,400	−17,500
Unobligated balance	23,980	44,706	44,400	44,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$2,220	$306	$400

BUREAU OF CUSTOMS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Customs, including purchase of seventy-five passenger motor vehicles for replacement only; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and awards of compensation to informers as authorized by the Act of August 13, 1953 (22 U. S. C. 401); $48,000,000. *(5 U. S. C. 118, 118a, 281a; 19 U. S. C. 68, 1524, 1619, 1701; 31 U. S. C. 529b, 530; 46 U. S. C. 1–1334; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958 **$48,000,000** Estimate 1959 **$48,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Assessment and collection of duties, taxes, and fees	$32,730,717	$35,391,400	$35,468,640
2. Appraisal of imported merchandise	5,874,194	6,473,000	6,484,600
3. Investigations of violations of customs and related laws and regulations	2,477,122	2,579,000	2,583,560
4. Audit of collection and merchandise accounts	760,067	813,000	814,800
5. Analysis and identification of merchandise for tariff purposes	840,872	946,000	947,800
6. Executive direction	1,547,383	1,697,000	1,700,600
Total obligations	44,230,355	47,899,400	48,000,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$300,000	$300,000	$300,000
Unobligated balance no longer available	19,645	100,600	
Unobligated balance carried forward	−300,000	−300,000	−300,000
Appropriation (new obligational authority)	44,250,000	48,000,000	48,000,000

The Bureau of Customs controls the importation of merchandise and collects the duties thereon. Gross total collections amounted to $1,059,208,252 in 1957.

The unobligated balance of $300,000 is a special fund available to this account when necessary to help pay the expenses of reimbursable customs work pending the collection of receivables from private interests.

1. *Assessment and collection of duties, taxes, and fees.*—The collectors of customs assess and collect the duties and taxes on imported merchandise, inspect international traffic, combat smuggling, perform certain marine activities relating to ownership and documentation of vessels of the United States and the movement of vessels in the foreign trade, and enforce the laws of other Government agencies affecting imports and exports.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Formal entries accepted	1,116,211	1,172,000	1,230,000
Carriers of persons and merchandise arriving from foreign countries	38,564,443	40,490,000	42,515,000
Persons arriving from foreign countries	132,321,187	136,200,000	140,300,000

2. *Appraisal of imported merchandise.*—The customs appraisers examine and ascertain the value of imported merchandise, and perform other functions in support of the collectors' determinations of rates of duty to be assessed and the admissibility of merchandise into the United States.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Packages examined by appraisers' personnel	1,365,041	1,433,000	1,503,000
Invoices received	1,774,343	1,863,000	1,958,000

3. *Investigations of violations of customs and related laws and regulations.*—The customs agents in the United States and abroad make investigations in the enforcement of laws affecting the movement of merchandise into and out of the United States. They also secure market value information for customs appraisers. In 1957, a total of 16,473 investigations were made. The estimates for 1958 and 1959 are 16,885 and 17,985, respectively.

4. *Audit of collection and merchandise accounts.*—The comptrollers of customs examine and certify collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise, and verify collectors' final assessments of duties and taxes, as well as allowances of drawback.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Liquidations verified	71,153	74,000	77,000
Comptrollers' verifications pending at close of year	3,273	3,500	3,500
Audit reports made	105	100	100

5. *Analysis and identification of merchandise for tariff purposes.*—The customs laboratories perform scientific analysis and identification of merchandise for tariff and enforcement purposes. In 1957, there were 110,087 samples tested, and it is estimated that 110,100 will be tested in 1958 and 1959, respectively.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	7,264	7,372	7,382
Full-time equivalent of all other positions	89	93	93
Average number of all employees	7,175	7,273	7,199
Number of employees at end of year	7,296	7,480	7,371
Average GS grade and salary	7.9 $5,608	7.9 $5,684	7.9 $5,776
01 Personal services:			
Permanent positions	$38,935,584	$39,890,980	$39,891,110
Positions other than permanent	356,073	367,000	367,000
Other personal services	1,925,497	2,093,740	2,094,100
Total personal services	41,217,154	42,351,720	42,352,210
02 Travel	464,938	430,000	430,000
03 Transportation of things	503,542	507,000	507,000
04 Communication services	488,111	484,000	484,000
05 Rents and utility services	83,458	85,000	74,610
06 Printing and reproduction	227,703	227,000	227,000
07 Other contractual services	445,048	424,600	425,000
08 Supplies and materials	381,747	380,000	380,000
09 Equipment	310,964	300,000	300,000
11 Grants, subsidies, and contributions		2,593,900	2,704,000
13 Refunds, awards, and indemnities	116,139	125,000	125,000
15 Taxes and assessments	12,370	12,000	12,000
Subtotal	44,251,174	47,920,220	48,020,820
Deduct quarters and subsistence charges	20,819	20,820	20,820
Total obligations	44,230,355	47,899,400	48,000,000

Permanent authorizations:

REFUNDS AND DRAWBACKS

(Indefinite)

Appropriated (est.) 1958, **$20,000,000** Estimate 1959, **$20,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Refunds of duties assessed and collected (total obligations)	$19,907,757	$20,000,000	$20,000,000
Financing:			
Appropriation (new obligational authority)	19,907,757	20,000,000	20,000,000

Overpayments are refunded, and drawbacks of duties upon exportation of previously imported merchandise are paid as required (19 U. S. C. 1313a).

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$19,907,757	$20,000,000	$20,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Assessment and collection of duties, taxes, and fees	$8,471,616	$9,006,620	$9,503,420
2. Appraisal of imported merchandise	56,619	58,150	61,150
3. Investigations of violations of customs and related laws and regulations	49,838	51,400	51,500
4. Analysis and identification of merchandise for tariff purposes	8,085	7,800	7,800
5. Executive direction	31,656	26,030	26,130
Total obligations	8,617,814	9,150,000	9,650,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,093,269	2,243,000	2,359,000
Non-Federal sources (19 U. S. C. 1524)	6,524,545	6,907,000	7,291,000
Total financing	8,617,814	9,150,000	9,650,000

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BUREAU OF CUSTOMS—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	710	719	740
Full-time equivalent of all other positions	8	8	8
Average number of all employees	658	656	670
Number of employees at end of year	675	677	691
Average GS grade and salary	6.8 $4,960	6.8 $5,072	6.8 $5,129
01 Personal services:			
Permanent positions	$3,142,777	$3,165,380	$3,255,180
Positions other than permanent	31,471	31,400	31,400
Other personal services	5,266,330	5,678,520	6,080,520
Total personal services	8,440,578	8,875,300	9,367,100
02 Travel	50,233	48,000	48,000
03 Transportation of things	1,613	1,500	1,500
04 Communication services	11,065	5,000	5,000
05 Rents and utility services	972	1,000	1,000
06 Printing and reproduction	36,943	37,000	37,000
07 Other contractual services	29,506	28,200	28,700
08 Supplies and materials	25,274	25,000	22,300
09 Equipment	21,630	21,500	21,500
11 Grants, subsidies, and contributions		107,500	117,900
Total obligations	8,617,814	9,150,000	9,650,000

INTERNAL REVENUE SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; $325,500,000: *Provided, That not to exceed $200,000 of the amount appropriated herein shall be available for expenses of instruction and facilities for the training of employees by contract, subject to such regulations as may be prescribed by the Secretary of the Treasury. (5 U. S. C. 132; title 26 U. S. C.; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$325,500,000** Estimate 1959, **$325,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services	$4,632,770	$5,260,124	$5,065,524
2. Collection of revenue	128,836,522	134,331,036	135,793,886
3. Audit of tax returns	106,701,706	113,576,377	114,323,511
4. Tax fraud and special investigations	15,738,885	16,743,758	16,862,034
5. Alcohol and tobacco tax regulatory work	23,181,034	24,274,554	23,712,856
6. Taxpayer conferences and appeals	9,771,076	11,046,227	11,059,022
7. Legal services	7,043,800	7,998,096	7,988,780
8. Inspection	4,096,635	4,419,834	4,393,434
9. Statistical reporting	1,847,329	2,513,167	2,346,867
10. Executive direction	3,634,552	4,083,586	3,954,086
Total obligations	305,484,309	324,246,759	325,500,000
Financing:			
Unobligated balance no longer available	265,691	1,253,241	
Appropriation (new obligational authority)	305,750,000	325,500,000	325,500,000

The Internal Revenue Service is the primary revenue-collecting agency of the Federal Government.

1. *Rulings, technical planning, and special technical services.*—The Service interprets statutory provisions, issues rulings, and prepares regulations and Treasury decisions. It conducts continuing research on tax loopholes, inequities, and related problems and provides special technical services and negotiates tax treaties with foreign governments.

SELECTED WORKLOAD DATA

	1957 actual	1958 estimate	1959 estimate
Rulings and advisory opinions	59,186	65,000	65,000
Regulations, legislative analysis, drafting and reports	3,246	3,000	3,000
Research, analysis, and preparation of rulings for publication	3,214	4,000	4,000

2. *Collection of revenue.*—This activity includes the securing of delinquent returns and the collection of delinquent accounts; receiving returns and remittances; tax accounting; bookkeeping; arithmetic verification of tax returns; determination of tax liability in respect to Form 1040A returns; preparation of bills; computation and scheduling of refunds; and the filing of returns and records. Gross total collections of the Internal Revenue Service amounted to $80 billion in 1957. The details of revenues collected are shown in table 1 and special analysis L of this document.

SELECTED WORKLOAD DATA

	1957 actual	1958 estimate	1959 estimate
Tax returns filed	93,278,692	95,000,000	96,500,000
Income tax computations and verifications	57,330,588	58,954,000	59,000,000
Refunds and credits scheduled	36,845,998	38,500,000	39,000,000
Notices issued for delinquent accounts and current installments due	17,398,605	17,500,000	17,600,000
Taxpayer delinquent accounts closed	2,762,464	2,845,000	2,900,000
Delinquency and other investigations closed	1,319,685	1,328,000	1,350,000

3. *Audit of tax returns.*—This activity covers the primary enforcement work of the Service. It encompasses all examinations, audits, investigations, and informal conferences for checking correctness and completeness of taxpayers' returns and claims, and for determining the correct tax liability.

SELECTED WORKLOAD DATA

	1957 actual	1958 estimate	1959 estimate
Examined income, estate, and gift tax returns (office audits and field audits)	2,387,542	2,388,000	2,388,000
Offers in compromise disposed of	18,762	20,000	20,000

4. *Tax fraud and special investigations.*—This function covers investigations of tax fraud, including making recommendations with respect to prosecution, fraud penalty, and civil liability of taxpayers; investigations of applicants for enrollment to practice before the Treasury Department; and investigations of charges against enrolled practitioners.

SELECTED WORKLOAD DATA

	1957 actual	1958 estimate	1959 estimate
Fraud cases	22,076	23,000	23,000
Enrollment investigations	8,141	6,200	6,400

5. *Alcohol and tobacco tax regulatory work.*—Under the laws relating to liquor, tobacco, and firearms, tax liability is determined, the alcohol and tobacco industry operations and trade practices are regulated, and violators against such laws are detected and prosecuted.

SELECTED WORKLOAD DATA

	1957 actual	1958 estimate	1959 estimate
Cases made	14,350	13,300	13,200
Distilleries seized	8,646	8,500	8,300
Mash seized (wine gallons)	6,756,563	6,500,000	5,500,000
Arrests	11,512	11,000	10,500
Inspections (includes dealers with Federal Alcohol Administration permits)	52,349	52,000	51,000

6. *Taxpayer conferences and appeals.*—This activity consists of formal appellate work with respect to tax liability, interest, penalties (except alcohol, tobacco, narcotics, and firearms) in protested cases, the issuance of statutory notices, consideration of claims, and consideration of appealed offers in compromise which have been rejected by district directors. There were 19,797 cases closed

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during 1957, 20,600 estimated for 1958, and 21,300 for 1959.

7. *Legal services.*—This activity is responsible for all legal services, including the issuance of legal opinions for the guidance of officers of the Service, defense of petitions to the Tax Court of the United States, recommendations as to prosecution by the Department of Justice of civil and criminal suits and appeals to be taken, and the review of abatements, refunds, or credits of $100,000 or over.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Litigation:			
Tax Court cases	4,912	5,300	5,300
District court cases	1,466	1,450	1,450
Enforcement:			
Fraud cases	2,301	2,625	2,625
Alcohol and tobacco tax cases	5,106	5,100	5,100
Claims against estates, bankruptcy and receivership proceedings	8,306	8,500	8,500
Review of overassessments and proposed refunds	313	300	300
Technical rulings and opinions	1,976	2,300	2,300

8. *Inspection.*—This activity covers the internal audit and internal security activities servicewide.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Internal audit examinations	319	320	320
Applicant character investigations	4,949	4,650	4,650
Personnel conduct investigations	785	900	900
Special inquiry investigations	1,778	1,900	1,900
Tort claim and discrimination investigations	83	150	150

9. *Statistical reporting.*—Annual statistics are prepared on income and profits taxes. Statistics covering collections, refunds, additional assessments, warrants for distraint, and other data are compiled for public release or inclusion in the annual reports of the Secretary and Commissioner.

SELECTED WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Returns transcribed and edited	293,543	550,000	550,000
Cards punched and verified	3,847,586	4,284,000	4,284,000
Cards tabulated (machine passes)	39,081,455	30,000,000	30,000,000
Cards converted to magnetic data tape	4,282,228	5,000,000	5,000,000
Statistical reports issued:			
Number of table pages	3,855	5,000	5,000
Number of text pages	1,574	2,000	2,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	52,571	52,444	51,931
	Full-time equivalent of all other positions	1,975	1,587	1,587
	Average number of all employees	53,181	52,570	52,264
	Number of employees at end of year	51,364	50,775	50,500
	Average GS grade and salary	6.7 $5,180	6.9 $5,257	7.0 $5,399
01	Personal services:			
	Permanent positions	$263,415,474	$265,445,665	$266,859,431
	Positions other than permanent	5,771,611	4,747,665	4,747,665
	Other personal services	1,631,424	2,311,227	2,311,227
	Total personal services	270,818,509	272,504,557	273,918,323
02	Travel	8,357,621	8,635,289	8,255,133
03	Transportation of things	1,573,013	1,655,909	1,655,909
04	Communication services	5,878,732	5,944,412	5,944,412
05	Rents and utility services	1,544,946	2,369,406	1,845,983
06	Printing and reproduction	7,529,140	7,773,516	7,773,516
07	Other contractual services	3,364,038	3,113,514	3,113,514
08	Supplies and materials	3,253,188	3,375,247	3,369,247
09	Equipment	2,325,560	1,746,492	1,746,492
11	Grants, subsidies, and contributions		16,485,687	17,234,741
13	Refunds, awards, and indemnities	674,950	510,000	510,000
15	Taxes and assessments	164,612	132,730	132,730
	Total obligations	305,484,309	324,246,759	325,500,000

Permanent authorizations:

REFUNDING INTERNAL REVENUE COLLECTIONS

(Indefinite)

Appropriated (est.) 1958, **$4,265,800,000**
Estimate 1959, **$4,708,950,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Refunding internal revenue collections (total obligations)	$3,952,326,444	$4,265,800,000	$4,708,950,000
Financing:			
Recovery of prior year obligations (repayment of prior year refunds made on behalf of Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund)	−58,190,000	−60,000,000	−70,000,000
Unobligated balance no longer available	58,190,000	60,000,000	70,000,000
Appropriation (new obligational authority)	3,952,326,444	4,265,800,000	4,708,950,000

Refunds are made of erroneous internal revenue collections or overpayments of taxes (62 Stat. 560; 26 U. S. C.).

Object Classification

		1957 actual	1958 estimate	1959 estimate
13	Refunds, awards, and indemnities	$3,952,326,444	$4,265,800,000	$4,708,950,000

REFUNDING INTERNAL REVENUE COLLECTIONS, INTEREST

(Indefinite)

Appropriated (est.) 1958, **$60,750,000** Estimate 1959, **$61,750,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of interest on refunds (total obligations)	$57,008,932	$60,750,000	$61,750,000
Financing:			
Appropriation (new obligational authority)	57,008,932	60,750,000	61,750,000

Interest is paid at 6% per annum on internal revenue collections which must be refunded (26 U. S. C. 6611).

Object Classification

		1957 actual	1958 estimate	1959 estimate
14	Interest	$57,008,932	$60,750,000	$61,750,000

MISCELLANEOUS INTERNAL REVENUE SERVICE PERMANENT APPROPRIATIONS

(Indefinite special accounts)

Appropriated (est.) 1958, **$20,020,000** Estimate 1959, **$20,020,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Coconut oil tax, collections for American Samoa"	$34,711	$20,000	$20,000
2. "Coconut oil tax, collections for Guam"	173		
3. "Internal revenue collections for Puerto Rico"	19,260,850	20,000,000	20,000,000
Total obligations	19,295,734	20,020,000	20,020,000
Financing:			
Appropriation (new obligational authority)	19,295,734	20,020,000	20,020,000

All taxes collected under the internal revenue laws of the United States on coconut oil produced in American Samoa or Guam, or from materials produced in those Territories, are paid to the Treasuries of the respective Territories (26 U. S. C. 7654; 31 U. S. C. 725s).

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INTERNAL REVENUE SERVICE—Continued

Permanent authorizations—Continued

MISCELLANEOUS INTERNAL REVENUE SERVICE PERMANENT APPROPRIATIONS—Continued

(Indefinite special accounts)—Continued

Taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States or consumed on the island are paid to Puerto Rico (26 U. S. C. 7652(a); 31 U. S. C. 725s.

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$19,295,734	$20,020,000	$20,020,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Collection of revenue	$29,419	$25,000	$25,000
2. Alcohol and tobacco tax regulatory work	18,637	25,000	25,000
3. Statistical reporting	4,444		
4. Executive direction	1,005		
Total obligations	53,505	50,000	50,000
Financing:			
Advances and reimbursements from—			
Other accounts	33,518	25,000	25,000
Non-Federal sources (40 U. S. C. 481(c))	19,987	25,000	25,000
Total financing	53,505	50,000	50,000

Object Classification

	Average number of all employees	8	8	8
	Number of employees at end of year	0	0	0
01	Personal services: Positions other than permanent	$34,741	$25,000	$25,000
09	Equipment	18,639	25,000	25,000
13	Refunds, awards, and indemnities	125		
	Total obligations	53,505	50,000	50,000

BUREAU OF NARCOTICS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and hire of passenger motor vehicles; $3,780,000. (*Sections of Internal Revenue Code of 1954, as amended, 4701–4762, 4771–4774, 7237, and 7607; 18 U. S. C. 1401–1407; Narcotic Drugs Import and Export Act (21 U. S. C. 171–184a), as amended, 21 U. S. C. 188–188n, 197–199; 5 U. S. C. 282–282c; 49 U. S. C. 781–788; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, **$3,780,000** Estimate 1959, **$3,780,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Administering and enforcing the Federal narcotic and marihuana laws	$3,288,567	$3,687,665	$3,707,665
2. Executive direction	67,428	72,335	72,335
Total obligation	3,355,995	3,760,000	3,780,000
Financing:			
Unobligated balance no longer available	94,005	20,000	
Appropriation (new obligational authority)	3,450,000	3,780,000	3,780,000

The Bureau investigates, detects, and prevents violations of the Federal narcotic and marihuana laws and related statutes.

COMPARATIVE STATEMENT OF WORKLOAD

	1955 actual	1956 actual	1957 actual	1958 estimate	1959 estimate
Cases completed for prosecution:					
1. Narcotics:					
(a) Registered persons	156	129	51	75	75
(b) Unregistered persons	1,898	1,787	1,418	1,500	1,500
2. Marihuana	537	433	361	400	400
Cases completed for prosecution	2,591	2,349	1,830	1,975	1,975
Other dispositions:					
1. Cases showing no criminal violations	37,334	36,824	34,921	40,079	43,304
2. Cases involving theft, military assistance, etc	1,675	1,798	1,190	1,209	1,257
3. Assistance to local authorities:					
(a) Requests handled	7,769	11,595	10,525	7,951	6,530
(b) Requests unable to handle	2,858	3,994	2,934	2,181	1,712
Total	52,227	56,560	51,400	53,395	54,778
Active investigations at close of fiscal year	6,011	5,513	4,809	5,000	5,000

Object Classification

		1957 actual		1958 estimate		1959 estimate	
	Total number of permanent positions	443		448		440	
	Average number of all employees	401		431		427	
	Number of employees at end of year	407		436		428	
	Average GS grade and salary	8.0	$5,510	8.0	$5,496	8.0	$5,639
01	Personal services:						
	Permanent positions	$2,274,779		$2,382,031		$2,402,031	
	Other personal services	209,450		267,334		267,334	
	Total personal services	2,484,229		2,649,365		2,669,365	
02	Travel	246,382		269,500		269,500	
03	Transportation of things	20,330		16,000		16,000	
04	Communication services	80,637		70,000		70,000	
05	Rents and utility services	8,064		7,000		7,000	
06	Printing and reproduction	15,005		5,000		5,000	
07	Other contractual services	109,140		160,150		158,100	
08	Supplies and materials	116,441		106,800		106,800	
	Purchase of evidence	239,250		260,000		260,000	
09	Equipment	22,976		30,000		29,835	
11	Grants, subsidies, and contributions			150,785		156,000	
13	Refunds, awards, and indemnities	13,165		35,000		32,000	
15	Taxes and assessments	376		400		400	
	Total obligations	3,355,995		3,760,000		3,780,000	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administering and enforcing the Federal narcotic and marihuana laws (total obligations)	$51,736	$57,850	$58,800
Financing:			
Advances and reimbursements from other accounts	51,736	57,850	58,800

Object Classification

		1957 actual		1958 estimate		1959 estimate	
	Total number of permanent positions	3		3		3	
	Average number of all employees	3		3		3	
	Number of employees at end of year	3		3		3	
	Average GS grade and salary	11.3	$7,750	11.3	$7,750	11.3	$7,822
01	Personal services:						
	Permanent positions	$20,277		$21,769		$22,053	
	Other personal services	2,831		4,831		5,917	
	Total personal services	23,108		26,600		27,970	
02	Travel	4,852		3,500		3,000	
07	Other contractual services	6,832		7,500		7,500	
08	Supplies and materials: Purchase of evidence	16,944		19,000		19,000	
11	Grants, subsidies, and contributions			1,250		1,330	
	Total obligations	51,736		57,850		58,800	

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UNITED STATES SECRET SERVICE

Current authorizations:

Salaries and Expenses

For necessary expenses of the United States Secret Service, including purchase (not to exceed [thirty] *twenty-six* for replacement only) and hire of passenger motor vehicles, $3,461,000. *(18 U. S. C. 3056 amended; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$3,461,000** Estimate 1959, **$3,461,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries	$3,087,626	$3,258,086	$3,261,638
2. General administrative services	127,041	137,539	137,848
3. Executive direction	71,323	61,375	61,514
Total obligations	3,285,990	3,457,000	3,461,000
Financing:			
Unobligated balance no longer available	54,010	4,000	
Appropriation (new obligational authority)	3,340,000	3,461,000	3,461,000

1. *Suppressing counterfeiting and investigating check and bond forgeries.*—Investigation is made of counterfeiting of currency, specie, and securities; forgery and conversion of Government checks and bonds; and noncriminal cases. The Service also protects the President of the United States, his immediate family, the Vice President, and the President-elect.

NUMBER OF CASES CLOSED

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Check cases	30,619	26,531	25,802	25,328
Bond cases	4,398	3,594	3,594	3,594
Counterfeiting	1,474	1,739	2,000	2,000
Protective research cases	931	896	896	896
Other criminal and noncriminal cases	1,842	1,836	1,836	1,836
Total	39,264	34,596	34,128	33,654

2. *General administrative services.*—This includes administrative services for the White House Police and the Treasury guard force.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total permanent positions	461	427	419
Average number of all employees	418	410	402
Number of employees at end of year	414	410	402
Average GS grade and salary	8.7 $5,933	8.9 $6,138	9.0 $6,288
01 Personal services:			
Permanent positions	$2,552,697	$2,558,010	$2,558,010
Other personal services	169,627	183,568	187,568
Total personal services	2,722,324	2,741,578	2,745,578
02 Travel	274,901	258,000	258,000
03 Transportation of things	25,310	20,400	20,080
04 Communication services	44,589	45,900	45,900
06 Printing and reproduction	7,803	8,000	8,000
07 Other contractual services	63,858	68,100	68,100
08 Supplies and materials	72,226	72,500	72,500
09 Equipment	62,457	61,822	55,700
11 Grants, subsidies, and contributions		160,500	166,942
13 Refunds, awards, and indemnities	296	200	200
Unvouchered	12,226	20,000	20,000
Total obligations	3,285,990	3,457,000	3,461,000

Salaries and Expenses, White House Police

For necessary expenses of the White House Police, including uniforms and equipment, $865,000. *(3 U. S. C. 203 (a) amended; Treasury-Post Office Appropriation Act, 1958.)*

Appropriation 1958, **$865,000** Estimate 1959, **$865,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Protection of White House and grounds (total obligations)	$847,620	$864,000	$865,000
Financing:			
Unobligated balance no longer available	11,380	1,000	
Appropriation (new obligational authority)	859,000	865,000	865,000

This permanent police force protects the White House and grounds.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	160	160	160
Average number of all employees	150	154	153
Number of employees at end of year	153	154	153
Average salary of ungraded positions	$5,316	$5,323	$5,357
01 Personal services:			
Permanent positions	$803,577	$823,866	$824,866
Other personal services	28,256	19,283	19,283
Total personal services	831,833	843,149	844,149
03 Transportation of things	27	10	10
06 Printing and reproduction	397	400	400
07 Other contractual services	3,665	3,941	3,941
08 Supplies and materials	11,458	16,400	16,400
09 Equipment	240	100	100
Total obligations	847,620	864,000	865,000

Salaries and Expenses, Guard Force

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms, [$303,000] *$293,000. (5 U. S. C. 22; 31 U. S. C. 171; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$303,000** Estimate 1959, **$293,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Safeguarding Government securities and protection of Treasury buildings (total obligations)	$269,971	$296,500	$293,000
Financing:			
Unobligated balance no longer available	15,029	6,500	
Appropriation (new obligational authority)	285,000	303,000	293,000

The uniformed force safeguards currency and other Government securities in the money-handling divisions of the Treasury Department. It also provides protection for the main Treasury Building and its annex.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	75	75	72
Average number of all employees	71	69	68
Number of employees at end of year	67	68	68
Average GS grade and salary	3.3 $3,641	3.3 $3,664	3.3 $3,719
01 Personal services:			
Permanent positions	$250,361	$255,970	$252,525
Other personal services	11,072	13,675	13,165
Total personal services	261,433	269,645	265,690
03 Transportation of things		25	25
04 Communication services	637	950	950
06 Printing and reproduction	487	460	460
07 Other contractual services	1,294	1,425	1,425
08 Supplies and materials	5,240	7,630	7,630
09 Equipment	865	200	200
11 Grants, subsidies, and contributions		16,065	16,520
13 Refunds, awards, and indemnities	15	100	100
Total obligations	269,971	296,500	293,000

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UNITED STATES SECRET SERVICE—Continued

Permanent authorizations:

CONTRIBUTION FOR ANNUITY BENEFITS, WHITE HOUSE POLICE AND SECRET SERVICE FORCE

(Indefinite)

Appropriated (estimate) 1958, **$163,200** Estimate 1959, **$163,200**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Contribution for annuity benefits (total obligations)	$154,956	$163,200	$163,200
Financing:			
Appropriation (new obligational authority)	154,956	163,200	163,200

The District of Columbia is reimbursed for retirement benefits paid to retirees from the White House Police force and the Secret Service. The appropriation covers the difference between the amounts paid to beneficiaries and the amount deducted from salaries for retirement purposes (64 Stat. 638).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$154,956	$163,200	$163,200

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries	$10,141	$3,750	$4,500
2. Safeguarding Government securities and protection of Treasury buildings	2,254	1,400	1,400
Total obligations	12,395	5,150	5,900
Financing:			
Advances and reimbursements from—			
Other accounts	6,974	1,400	1,400
Non-Federal sources (40 U. S. C. 481 (c))	5,421	3,750	4,500
Total financing	12,395	5,150	5,900

Object Classification

01 Personal services	$372		
07 Other contractual services	4,720		
08 Supplies and materials	1,882	$1,400	$1,400
09 Equipment	5,421	3,750	4,500
Total obligations	12,395	5,150	5,900

BUREAU OF THE MINT

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of the Mint, including purchase and maintenance of uniforms and accessories for guards; [purchase of one passenger motor vehicle for replacement only;] and not to exceed $1,000 for the expenses of the annual assay commission; $4,300,000. (*5 U. S. C. 150; 31 U. S. C. 251–287; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, **$4,300,000** Estimate 1959, **$4,300,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Direct operating costs:			
1. Manufacture of coins (domestic)	$1,803,304	$2,000,000	$2,000,000
2. Processing deposits and issues of monetary metals and coins	821,543	910,000	850,000
3. Protection of monetary metals and coins	697,518	750,000	730,000
4. Refining gold and silver bullion	528,278	400,000	494,000
5. Executive direction	127,673	138,000	126,000
Total direct operating costs	3,978,316	4,198,000	4,200,000
Capital outlay:			
6. Replacement of equipment	617,818	193,260	100,000
Total direct costs	4,596,134	4,391,260	4,300,000
Reimbursable costs:			
1. Manufacture of coins, etc	789,065	825,000	825,000
7. Miscellaneous services to other accounts	37,257	25,000	25,000
Total reimbursable costs	826,322	850,000	850,000
Total program costs	5,422,456	5,241,260	5,150,000
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−404,666	−91,260	
Total program (obligations)	5,017,790	5,150,000	5,150,000
Financing:			
Advances and reimbursements from—			
Other accounts	−37,257	−25,000	−25,000
Non-Federal sources: [1]			
Sale of proof coins	−1,480,819	−650,000	−650,000
Other	−190,114	−175,000	−175,000
Unobligated balance no longer available (sale of proof coins)	343,900		
Appropriation (new obligational authority)	3,653,500	4,300,000	4,300,000

[1] Reimbursements from non-Federal sources above are receipts from foreign coinage (31 U. S. C. 367 (Jan. 29, 1874, 18 Stat. 6)); proceeds from sale of medals and proof coins (31 U. S. C. 369 (as amended May 10, 1950, 64 Stat. 157)); and proceeds from the sale of personal property (40 U. S. C. 481 (c)).

Activities include manufacture of coins, receipt of deposits of gold and silver bullion, safeguarding of the Government's holdings of monetary metals, and refining of gold and silver bullion (see miscellaneous permanent appropriations).

1. *Manufacture of coins (domestic).*—Production of coins is the major mint activity. Funds requested for 1959 will permit production of approximately 2 billion coins, which will be necessary to meet the continued high demand. Mint inventories have been low for about 2 years and the Federal Reserve banks have been requisitioning coins as quickly as produced.

DOMESTIC COINAGE WORKLOAD BY PIECES

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Denomination:				
1 cent	1,206,832,600	1,384,519,200	1,435,000,000	1,435,000,000
5 cents	40,455,800	150,703,540	171,000,000	171,000,000
10 cents	120,013,300	213,580,680	234,000,000	234,000,000
25 cents	42,352,800	125,073,620	130,000,000	130,000,000
50 cents	2,008,000	25,862,300	30,000,000	30,000,000
Total	1,411,662,500	1,899,739,340	2,000,000,000	2,000,000,000

UNIT COSTS—PER 1,000—BY DENOMINATION

Denomination:				
1 cent	$0.83	$0.65	$0.71	$0.71
5 cents	1.68	1.36	1.62	1.62
10 cents	1.43	1.22	1.10	1.10
25 cents	3.19	2.66	2.48	2.48
50 cents	5.72	4.17	4.37	4.37

TOTAL COST BY DENOMINATION

Denomination:				
1 cent	$1,002,234	$896,772	$1,013,200	$1,013,200
5 cents	67,854	204,948	277,100	277,100
10 cents	171,696	260,612	256,700	256,700
25 cents	135,213	333,085	321,900	321,900
50 cents	11,484	107,887	131,100	131,100
Total	1,388,481	1,803,304	2,000,000	2,000,000

2. *Processing deposits and issues of monetary metals and coins.*—This activity includes receipt of deposits of gold and silver bullion; issue of gold bars for industrial, professional, and artistic use and settlement of international balances; disbursement of coins; moving, shipping, stor-

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ing, and verifying bullion and coin; and counting and classifying uncurrent coins returned to the mints for recoinage. High silver receipts in 1957 and 1958 reflect the return of lend-lease silver by foreign governments.

SELECTED STATISTICS REGARDING DEPOSIT ACTIVITY

Description	*1957 actual*	*1958 estimate*	*1959 estimate*
Number of deposit transactions	8,544	8,500	8,500
Gold receipts and disbursements (value)	$899,996,063	$900,000,000	$900,000,000
Sale of gold bars for industrial, professional, and artistic use (value)	$24,257,676	$24,000,000	$24,000,000
Silver receipts (fine ounces)	107,201,001	215,000,000	20,000,000
Silver disbursements (fine ounces)	8,900,453	8,900,000	8,900,000
Uncurrent coins received (pieces)	25,624,436	26,000,000	26,000,000

3. *Protection of monetary metals and coins.*—Protection of the Government's holdings of gold and silver bullion and coin is maintained by armed guards and modern protective devices.

4. *Refining gold and silver bullion.*—Gold and silver bullion are refined in order to facilitate accountability, protection, and storage, and to bring the bullion up to a degree of purity suitable for use in the world markets. Charges are made against depositors of gold and silver for refinery services, but receipts are not available for payment of refining costs. During fiscal year 1957, $196,346 were deposited to miscellaneous receipts.

8. *Relation of costs to obligations.*—This relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$515,875	$406,547	$406,547	$406,547
Medals and proof coins (finished goods)	14,464	21,738	21,738	21,738
Work-in-process	103,238	99,002	99,002	99,002
Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	632,739	198,344	107,084	107,084
Advances (payments for goods and services on order not yet received)	4,704	9,082	9,082	9,082
Accounts receivable (bills rendered to users for goods and services reimbursable to this appropriation)	1,005	9,543	9,543	9,543
Total selected resources at end of year	1,272,025	744,256	652,996	652,996
Selected resources at start of year (−)		−1,272,025	−744,256	−652,996
Adjustment of selected resources reported at start of year		−9,871		
Decrease (−) in selected resources		−537,640	−91,260	
Increase (−) in annual leave earned but not yet taken		−5,243		
Property transferred out without charge, net		138,217		
Costs financed from obligations of other years, net (−)		−404,666	−91,260	

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	809	834	831
Average number of all employees	788	817	814
Number of employees at end of year	798	818	818
Average GS grade and salary	6.1 $5,164	6.2 $5,206	6.1 $5,229
Average salary of ungraded positions	$4,399	$4,541	$4,558
Personal service obligations:			
Permanent positions	$3,716,052	$3,919,450	$3,919,950
Other personal services	381,206	135,050	135,050
Total personal service obligations	4,097,258	4,054,500	4,055,000
Direct obligations:			
01 Personal services	3,453,000	3,371,250	3,373,250
02 Travel	44,836	40,000	30,000
03 Transportation of things	17,856	17,850	10,600
04 Communication services	19,758	20,000	20,000
05 Rents and utility services	220,715	230,000	240,000
06 Printing and reproduction	5,850	6,000	6,000
07 Other contractual services	32,568	35,000	35,000
Services performed by other agencies	1,888	1,900	1,900
08 Supplies and materials	269,653	270,000	270,000
09 Equipment	114,382	102,000	100,000
11 Grants, subsidies, and contributions		191,000	198,250
13 Refunds, awards, and indemnities	8,522	10,000	10,000
15 Taxes and assessments	2,440	5,000	5,000
Total direct obligations	4,191,468	4,300,000	4,300,000
Reimbursable obligations:			
01 Personal services	644,258	683,250	681,750
02 Travel	2,516	2,500	2,500
03 Transportation of things	43,115	38,000	38,000
04 Communication services	8,213	8,200	8,200
05 Rents and utility services	19,580	20,000	20,000
06 Printing and reproduction	2,738	2,700	2,700

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Reimbursable obligations—Continued			
07 Other contractual services	$12,859	$4,000	$4,000
08 Supplies and materials	50,028	50,000	50,000
09 Equipment	41,435		
11 Grants, subsidies, and contributions		40,600	42,100
13 Refunds, awards, and indemnities	980		
15 Taxes and assessments	600	750	750
Total reimbursable obligations	826,322	850,000	850,000
Total obligations	5,017,790	5,150,000	5,150,000

Striking of Gold Medal for Gustaf E. Lambert

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Manufacture of medal (total costs—obligations)	$350		
Financing:			
Appropriation (new obligational authority)	350		

Object Classification

07 Other contractual services	$124		
08 Supplies and materials	226		
Total obligations	350		

Permanent authorizations:

Bureau of the Mint Miscellaneous Permanent Appropriations

(Indefinite special accounts)

Appropriated (estimate) 1958, **$671,505** Estimate 1959, **$825,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. "Minor coinage profits, etc.":			
(a) Distribution of coins	$227,717	$250,000	$250,000
(b) Coinage wastage and recoinage losses	59,260	100,000	100,000
2. "Silver profit fund":			
(a) Distribution of coins	219,222	235,000	235,000
(b) Coinage wastage and recoinage losses	175,253	175,000	175,000
(c) Purchase of alloy metal	459,872	115,000	65,000
Total program costs—obligations	1,141,324	875,000	825,000
Financing:			
Unobligated balance brought forward	−285,462	−603,495	−400,000
Unobligated balance carried forward	603,495	400,000	400,000
Appropriation (new obligational authority)	1,459,357	671,505	825,000

A portion of the gains resulting from making coins from minor coinage metals or silver bullion is appropriated to cover the cost of the alloy metal used in making subsidiary silver coins, wastage and recoinage losses incurred in coinage, and the cost of distributing coins (31 U. S. C. 317c, 335, and 340).

Object Classification

	1957 actual	1958 estimate	1959 estimate
03 Transportation of things:			
Minor coinage profits, etc.	$227,717	$250,000	$250,000
Silver profit fund	219,222	235,000	235,000
08 Supplies and materials: Silver profit fund	459,872	115,000	65,000
13 Refunds, awards, and indemnities:			
Minor coinage profits, etc.	59,260	100,000	100,000
Silver profit fund	175,253	175,000	175,000
Total obligations	1,141,324	875,000	825,000

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BUREAU OF ENGRAVING AND PRINTING

Intragovernmental funds:

BUREAU OF ENGRAVING AND PRINTING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Engraving and printing	$25,648,068	$27,090,226	$27,799,654
2. Card checks	1,120,777	1,074,910	1,099,538
3. Operation and maintenance of incinerator and space utilized by other agencies	320,949	342,900	348,860
4. Other direct charges to agencies for services	23,993	94,702	606,382
Total operating costs	27,113,787	28,602,738	29,854,434
Depreciation and amortization included above (−)	−1,373,480	−1,634,476	−1,828,834
Other cost included above not requiring funding (−)	−275,623	−168,600	−282,130
Total operating costs, funded	25,464,684	26,799,662	27,743,470
Capital outlay: Engraving and printing: Purchase of equipment	1,886,230	5,154,724	3,167,950
Total program costs, funded	27,350,914	31,954,386	30,911,420
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−578,640	−1,571,491	−250,000
Total program (obligations)	26,772,274	30,382,895	30,661,420
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Sale of engraving and printing	25,627,347	27,121,888	27,799,654
Sale of card checks	1,120,164	1,074,910	1,099,538
Other	377,179	437,602	955,242
Increase in accepted orders on hand	16,317	140,716	
Total amounts becoming available	27,141,007	28,775,116	29,854,434
Unobligated balance brought forward	−352,585	16,148	−1,591,631
Total amounts available	26,788,422	28,791,264	28,262,803
Unobligated balance carried forward	−16,148	1,591,631	2,398,617
Financing applied to program	26,772,274	30,382,895	30,661,420

The Bureau of Engraving and Printing designs, manufactures, and supplies all major evidences of a financial character issued by the United States. It is the sole source of U. S. currency, Federal Reserve notes, and certificates of indebtedness, as well as most of the minor evidences of a financial character issued by the United States, such as postage, internal revenue, customs, and savings stamps. In addition, the Bureau prints bonds, commissions, certificates, permits, warrants, etc. The Bureau also prints bonds, postage and internal revenue stamps for the governments of insular possessions.

PROGRAM HIGHLIGHTS—DELIVERIES AND COSTS

	1957 actual	*1958 estimate*	*1959 estimate*
1. Engraving and printing:			
(a) Currency:			
United States—units	1,064,864,000	1,185,436,000	1,185,436,000
Cost	$9,595,896	$11,558,000	$11,558,000
Rate per thousand	$9.011	$9.750	$9.750
Federal Reserve notes—units	576,624,000	446,328,000	550,000,000
Cost	$5,190,459	$4,377,564	$5,395,500
Rate per thousand	$9.001	$9.808	$9.810
(b) Stamps:			
Internal revenue—units	23,045,330,484	23,795,722,240	23,748,128,975
Cost	$2,393,434	$2,965,329	$2,898,989
Rate per thousand	$0.104	$0.125	$0.122
United States postage—units	24,609,167,923	25,521,100,000	25,616,210,000
Cost	$5,711,674	$6,810,535	$6,727,705
Rate per thousand	$0.232	$0.267	$0.263
Other—units	319,393,700	322,316,548	327,516,548
Cost	$186,463	$213,517	$221,379
Rate per thousand	$0.584	$0.662	$0.676
(c) Commissions, certificates, etc.—units	25,383,807	18,048,310	19,344,280
Cost	$327,742	$321,988	$380,522
Rate per thousand	$12.911	$17.840	$19.671
(d) Securities—units	98,539,264	14,645,125	5,662,625
Cost	$2,242,400	$843,293	$617,559
Rate per thousand	$22.756	$57.582	$109.059
2. Card checks purchased—units	407,686,000	387,803,000	397,780,500
Cost	$1,120,777	$1,074,910	$1,099,538
Rate per thousand	$2.749	$2.772	$2.764
3. Cost of operation and maintenance of incinerator and space utilized by other agencies	$320,949	$342,900	$348,860
4. Other direct charges for miscellaneous services	$23,993	$94,702	$606,382
Total cost	$27,113,787	$28,602,738	$29,854,434

The Bureau finances its operations out of reimbursements received from other agencies for all direct and indirect costs, including administrative expenses (31 U. S. C. 181–181e).

Budget program.—The anticipated work volume is based on estimates of requirements submitted by agencies served. The program comprises the following activities:

1. *Engraving and printing*—(*a*) *Currency.*—The anticipated deliveries reflect a decrease of 0.6% in 1958 and an increase of 5.7% in 1959 over deliveries made in 1957.

(*b*) *Stamps.*—The estimated production requirements have increased approximately 4% in 1958 and 1959 over 1957.

(*c*) *Commissions, certificates, etc.*—The anticipated requirements of the various agencies for commissions, certificates, etc., reflect a decrease of 28% in 1958 and 25% in 1959 as compared with 1957. This decrease is due primarily to a reduction in the requirements for various identification cards requisitioned by national defense agencies.

(*d*) *Securities.*—The production of United States savings bonds reflects the substantial decrease of approximately 89% in 1958 and 98% in 1959 below the deliveries made in 1957 due to the Treasury's decision to issue such bonds in punched card form. The estimated production of other securities reflects an increase of 15% in 1958 and 1959 as compared with 1957.

2. *Card checks.*—Based on estimated requirements of the agencies served, the Bureau negotiates a single contract with a commercial firm for the purchase of all Government checks in punched card form.

3. *Operation and maintenance of the incinerator and space utilized by other agencies.*—Charges are made to other agencies, on an actual cost basis, for use of the incinerator and for the cost of maintenance services provided for the space they occupy in the Bureau's buildings.

4. *Other direct charges for miscellaneous services.*—Charges for these services are made to other agencies on an actual cost basis.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories and prepaid expenses	$6,980,899	$5,715,265	$5,120,265	$5,070,265
Unpaid undelivered orders	2,889,497	3,576,491	2,600,000	2,400,000
Total selected resources at end of year	9,870,396	9,291,756	7,720,265	7,470,265
Selected resources at start of year (−)		−9,870,396	−9,291,756	−7,720,265
Costs financed from obligations of other years, net (−)		−578,640	−1,571,491	−250,000

Operating results and financial condition.—Bureau operations during 1957 resulted in a loss of $21,219. This loss will be recovered from any earnings in subsequent years.

The capital of the fund is expected to remain at $25.3 million represented by an appropriation of $3.3 million and donated assets of $22 million.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Engraving and printing: Acquisition of equipment	$1,886,230	$5,154,724	$3,167,950
Expense:			
Purchase of commodities for manufacture or sale	4,837,909	4,948,921	5,169,400
Other expense	17,836,816	19,793,229	20,519,290

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Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied)—Con.			
Card checks: Purchase of commodity and other expense	$1,120,777	$1,074,910	$1,099,538
Operation and maintenance of incinerator and space utilized by other agencies: Expense	320,949	342,900	348,860
Other direct charges to agencies for services: Expense	23,993	94,702	606,382
Increase in selected working capital	2,133,780	53,797	
Total gross expenditures	28,160,454	31,463,183	30,911,420
Receipts from operations (funds provided):			
Engraving and printing: Revenue	25,627,347	27,121,888	27,799,654
Card checks: Revenue	1,120,164	1,074,910	1,099,538
Operation and maintenance of incinerator and space utilized by other agencies: Revenue	320,949	342,900	348,860
Other direct charges to agencies for services: Revenue	24,108	94,702	606,382
Undistributed receipts: Proceeds from sale of equipment	32,122		
Decrease in selected working capital			584,322
Total receipts from operations	27,124,690	28,634,400	30,438,756
Budget expenditures	1,035,764	2,828,783	472,664

Revenue, Expense, and Retained Earnings

Engraving and printing:			
Revenue	$25,627,347	$27,121,888	$27,799,654
Expense	25,372,445	26,921,626	27,517,524
Net operating income, engraving and printing	254,902	200,262	282,130
Card checks:			
Revenue	1,120,164	1,074,910	1,099,538
Expense	1,120,777	1,074,910	1,099,538
Net operating loss (−), card checks	−613		
Operation and maintenance of incinerator and space utilized by other agencies:			
Revenue	320,949	342,900	348,860
Expense	320,949	342,900	348,860
Net operating income, operation and maintenance of incinerator and space utilized by other agencies			
Other direct charges to agencies for services:			
Revenue	24,108	94,702	606,382
Expense	23,993	94,702	606,382
Net operating income, other direct charges to agencies for services	115		
Nonoperating income or loss (−):			
Proceeds from sale of equipment	32,122		
Net book value of disposed assets (−)	−307,745	−168,600	−282,130
Net nonoperating loss (−)	−275,623	−168,600	−282,130
Net income or loss (−) for the year	−21,219	31,662	
Deficit (−), beginning of year	−10,443	−31,662	
Deficit (−), end of year	−31,662		

Financial Condition

Assets:			
Cash with Treasury	$4,461,458	$1,632,675	$1,160,011
Accounts receivable, net	2,380,729	2,571,187	2,197,745
Commodities for sale	4,485,567	3,940,567	3,940,567
Supplies and prepaid expenses	1,229,698	1,179,698	1,129,698
Deferred charges	452,391	522,100	403,693
Fixed assets, net	15,818,257	19,100,196	20,275,589
Total assets	28,828,100	28,946,423	29,107,303
Liabilities:			
Current	3,608,832	3,695,493	3,856,373
Government investment:			
Non-interest-bearing capital	25,250,930	25,250,930	25,250,930
Deficit (−)	−31,662		
Total Government investment	25,219,268	25,250,930	25,250,930

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$5,497,222	$4,461,458	$1,632,675	$1,160,011
Obligated balance, net:				
Current liabilities	4,664,694	3,608,832	3,695,493	3,856,373
Unpaid undelivered orders[1]	2,889,497	3,576,491	2,600,000	2,400,000
Accounts receivable, net (−)	−1,361,417	−2,380,729	−2,571,187	−2,197,745
Unfilled customers orders (−)	−342,967	−359,284	−500,000	−500,000
Total obligated balance	5,849,807	4,445,310	3,224,306	3,558,628
Unobligated balance	−352,585	16,148	−1,591,631	−2,398,617

[1] Excludes contracts issued during the year, but only effective in the following year, as follows: 1956, $3,175,369; 1957, $3,192,583; 1958, $3,400,000; 1959, $3,600,000.

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	4,096	3,756	3,768
	Average number of all employees	3,587	3,572	3,704
	Number of employees at end of year	3,590	3,580	3,688
	Average GS grade and salary	5.1 $4,451	5.1 $4,460	5.2 $4,535
	Average salary of ungraded positions	$4,351	$4,496	$4,476
01	Personal services:			
	Permanent positions	$15,759,627	$16,074,829	$16,596,925
	Other personal services	913,112	928,026	1,063,935
	Excess of annual leave taken (−) over leave earned	−215,062		
	Total personal services	16,457,677	17,002,855	17,660,860
02	Travel	4,980	6,000	8,000
03	Transportation of things	255,434	250,750	258,600
04	Communication services	28,412	28,000	28,000
05	Rents and utility services	373,707	390,000	414,500
06	Printing and reproduction	1,056	3,000	3,000
07	Other contractual services	252,474	322,000	726,300
	Services performed by other agencies	104,907	118,000	118,500
08	Supplies and materials	6,694,938	7,047,057	7,355,030
09	Equipment	1,892,437	5,161,724	3,174,950
11	Grants, subsidies, and contributions		1,027,000	1,110,680
13	Refunds, awards, and indemnities	16,245		
15	Taxes and assessments	3,013	3,000	3,000
	Total accrued expenditures	26,085,280	31,359,386	30,861,420
	Increase or decrease (−) in unpaid undelivered orders	686,994	−976,491	−200,000
	Total obligations	26,772,274	30,382,895	30,661,420

COAST GUARD

Current authorizations:

Operating Expenses

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); [$169,000,000] *$171,700,000*: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and twenty-eight exclusive of planes and parts stored to meet future attrition: *Provided further*, That amounts equal to the obligated balances against the appropriations for "Operating expenses" for the two preceding years, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation: *Provided further*, That except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236–244), this appropriation shall be available for expenses of primary and secondary

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COAST GUARD—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation. *(Title 14 U. S. C.; 5 U. S. C. 133y–16, 150, 2094(b); 33 U. S. C. 472, 748, 748a, 763c; 34 U. S. C. 189, 943; 37 U. S. C. 111a; 46 U. S. C. 1, 170 (12), 170b, 239(f), 288, 362, 364, 366, 367, 369, 372, 375, 381, 382(b), 391, 392, 395, 404, 405, 408, 435, 455, 526, 545, 660, 660a, 672, 689, 738; 50 U. S. C. 191, 194; 69 Stat. 635; 70 Stat. 151, 747, 807, 857; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$169,000,000** Estimate 1959, **$171,700,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Direct program by activities:			
1. Vessel operations	$45,937,918	$47,811,387	$48,235,017
2. Aviation operations	20,176,944	21,874,744	22,633,640
3. Shore stations and aids operations	36,158,589	45,186,747	47,405,832
4. Repair and supply facilities	13,447,444	5,779,574	5,779,574
5. Training and recruiting facilities	7,396,006	6,760,786	6,760,786
6. Administration and operational control	21,093,191	20,350,480	20,688,872
7. Other military personnel expense	18,279,056	20,142,036	19,775,364
8. Supporting programs	7,750,644	6,246,280	6,331,525
Total direct program costs	170,239,792	174,152,034	177,610,610
Property transferred in without charge, net (−)	−3,458,951	−7,197,372	−7,462,000
Total direct program costs funded	166,780,841	166,954,662	170,148,610
9. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−2,019,659		
Obligations incurred for costs of other years, net		1,286,762	1,551,390
Total direct program (obligations)	164,761,182	168,241,424	171,700,000
Reimbursable program by activities:			
10. Operation of ocean stations: (Department of the Navy)	16,240,000	16,360,000	16,430,000
11. Miscellaneous services to other accounts	5,790,024	7,942,648	6,312,340
Total reimbursable program costs	22,030,024	24,302,648	22,742,340
12. Relation of costs to obligations: Obligations incurred for costs of other years, net	633,470		
Total reimbursable program (obligations)	22,663,494	24,302,648	22,742,340
Total program (obligations)	187,424,676	192,544,072	194,442,340
Financing:			
Advances and reimbursements from— Other accounts	−22,432,614	−24,072,648	−22,512,340
Non-Federal sources (40 U. S. C. 481(c))	−230,880	−230,000	−230,000
Unobligated balance no longer available	88,818	758,576	
Appropriation (new obligational authority)	164,850,000	169,000,000	171,700,000

The Coast Guard enforces maritime law, provides limited security of ports and waterfront facilities, saves life and property, provides navigational aids to maritime commerce in navigable waters, promotes the safety of the American merchant marine, and maintains a state of military readiness to serve as a part of the Navy in time of war or national emergency.

Direct program by activities—1. *Vessel operations.*—Multifunctional vessels are strategically stationed along the coasts and inland waterways for search and rescue; tending aids to navigation; operating an international ice observation and patrol service in the North Atlantic Ocean; performing limited icebreaking in navigable lakes, rivers, canals, and harbors; and for law enforcement.

WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Vessel operations:			
Assistance cases	4,660	5,200	5,700
Lives saved or persons rescued	608	750	900
Vessels refloated	152	175	200
Vessels towed to port	1,837	1,900	1,975
Number of navigational aids servicings	113,224	113,000	114,000
Ocean stations operated	6	6	6

2. *Aviation operations.*—Aircraft are maintained at air stations and detachments for search and rescue; Federal law enforcement; aerial reconnaissance for the international ice patrol; and logistic support in isolated areas.

WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Aviation operations:			
Assistance cases	3,705	3,800	3,950
Lives saved or persons rescued	122	200	400
Passenger-miles traveled in administrative and logistic support	6,197,535	6,500,000	7,000,000
Cargo (ton-miles)	678,719	700,000	725,000

3. *Shore stations and aids operations.*—Bases and lifeboat stations are strategically situated for search, rescue, and law enforcement, and for maintaining aids to navigation. Port security units patrol major harbor entrances; control anchorage areas; supervise the loading and unloading of dangerous cargoes; and screen merchant seamen and longshoremen to bar subversive elements from merchant vessels and critical waterfront areas. Critical waterfront areas have been patrolled since the inauguration of the port security program in 1951.

Buoys, lighthouses, lightships, fog signal stations, light attendant stations, radio beacons, and loran stations are maintained as navigational aids in the waters of the United States, its Territories, and military bases overseas. There will be a net addition of 1,225 unmanned aids operated in 1959. Radio stations provide rapid communication incident to all Coast Guard operations and maintain a guard on the international maritime distress frequencies. Marine inspection offices and detachments administer laws and issue regulations on safety equipment and inspection of merchant vessels, and on licensing and certification of merchant marine officers and crews. They review plans for construction or alteration of merchant vessels, investigate marine accidents, and handle disciplinary cases.

The recent upsurge in merchant vessel construction and repair, the increasing number of oil rigs being erected on the continental shelf of the Gulf of Mexico, and the corresponding increase in the number of small commercial craft servicing these rigs have all contributed to a serious backlog in the examination and inspection programs. Additional marine inspection personnel are being requested to keep pace with the demands of industry.

Costs for the operation of one additional loran station are included in the Coast Guard budget for 1959. This facility is being constructed during 1958 with funds provided by the Department of Defense.

WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Shore stations and aids operations:			
Assistance cases	14,569	15,000	15,500
Lives saved or persons rescued	1,206	1,500	1,800
Vessels refloated	1,045	1,100	1,200
Vessels towed to port	6,702	7,000	7,500
Vessels boarded and papers examined	152,091	175,000	150,000
Vessels reported for violation	9,193	15,000	10,000
Navigational aids operated (includes loran)	28,532	39,160	39,841
Loran transmitting stations operated	47	47	48
Merchant mariners documents bearing evidence of security clearance issued	28,978	34,488	37,937
Security appeals processed for merchant mariners		28	28
Violations of port security regulations	800	800	800

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WORKLOAD DATA—continued

Shore stations and aids operations—Con.	*1957 actual*	*1958 estimate*	*1959 estimate*
Permits issued to load or discharge explosives	850	850	850
Tonnage of explosives covered by permits	129,639	130,000	130,000
Explosive loading supervised	1,271	600	600
Port security cards issued	16,667	15,000	14,000
Regattas patrolled	924	1,200	1,300
Reports of violations of the Oil Pollution Act, 1924	213	225	225
Inspection of other hazardous cargo	6,654	6,000	6,000
Marine officer licenses issued	27,003	30,000	30,000
Seaman documents and certificates issued (original)	45,605	49,399	53,509
Seaman documents and certificates issued (duplicate)	13,907	14,817	15,800
Crews signed on and off	34,619	35,000	35,000
Marine casualty investigations	3,045	3,350	3,752
Vessels inspected for certification	5,943	7,568	11,568
Violations of navigation and vessel inspection laws processed	10,292	11,600	13,000
Miscellaneous additional vessel inspections	18,064	26,000	34,000
Vessel plans and blueprints reviewed	19,807	31,700	44,400
Items of equipment inspected at factory	879,059	940,000	980,000
Drydock inspections	4,601	8,600	12,600
Vessels reinspected	2,602	5,015	9,015
Vessels numbered by Coast Guard (lieu of documentation)	419,118	455,000	495,000
Structures inspected (Outer Continental Shelf Lands Act)	645	650	650

4. *Repair and supply facilities.*—Repair and supply facilities are maintained at strategic points for support of Coast Guard operating units. Also, two facilities are maintained for testing, developing, and adapting material for safer and more effective Coast Guard use.

5. *Training and recruiting facilities.*—This activity includes the Coast Guard Academy for the training of cadets and officer candidates, recruiting stations, training units for recruits and petty officers, and outside training programs.

WORKLOAD DATA

	1957 actual	*1958 estimate*	*1959 estimate*
Training and recruiting facilities:			
Cadets	498	530	530
Recruits trained	5,168	5,200	5,100
Other personnel in training	4,782	5,120	5,120

6. *Administration and operational control.*—In addition to executive direction, this activity provides for internal auditing and inspection, and for administrative services to operating units.

7. *Other military personnel expense.*—This activity provides for certain military personnel expenses such as the pay of personnel hospitalized and in transit; expense of permanent changes of stations, including travel of dependents and transportation of household effects; and expenses of military separation, recreation, death gratuities, and burial.

8. *Supporting programs.*—This activity consists of programs for procurement of ammunition and maintenance of ordnance; replacement of vehicles, boats, and electronic equipment; transportation of materials; and printing. These programs have such general applicability that they cannot properly be charged to specific units.

Property transferred in without charge represents material received from the acquisition, construction, and improvements appropriation, consisting primarily of aircraft equipment and parts purchased with aircraft.

9. *Relation of costs to obligations.*—The relationship between direct costs and direct obligations is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Direct program:				
Selected resources at end of year: Inventories and items on order:				
Stores (goods and operating equipment unconsumed by projects)	$37,109,754	$35,165,002	$36,840,737	$39,570,995
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	13,141,205	14,232,035	14,143,062	13,264,194
Advances (payments for goods and services on order not yet received)	2,096,704	1,407,969	1,107,969	807,969
Work in process	1,553,959	948,094	948,094	948,094
Total selected resources at end of year	53,901,622	51,753,100	53,039,862	54,591,252
Selected resources at start of year (−)		−53,901,622	−51,753,100	−53,039,862
Adjustment of selected resources reported at start of year		128,863		
Costs financed from obligations of other years, net (−)		−2,019,659		
Obligations incurred for costs of other years, net			1,286,762	1,551,390

It is estimated that an increase in inventories will occur in 1958 and 1959, attributable to the receipt of spare parts for replacement aircraft.

Advances will be reduced in 1958 and 1959 by liquidation of advances made to the Navy for the procurement of long lead time electronic equipment. Undelivered orders will be reduced in 1958 and 1959 due to the delivery of long lead time electronic equipment.

Reimbursable programs by activities—10. *Operation of ocean stations.*—The operation of 6 ocean stations (4 in the Atlantic and 2 in the Pacific), on the basis of 3 cutters per station, is financed by the Department of Defense as a defense requirement. These vessels perform the dual function of ocean station duty and search and rescue.

11. *Miscellaneous services to other accounts.*—Various activities of the Coast Guard are financed by other agencies. They include, in part, operation of 1 vessel for United States Information Agency; operation of 1 ocean-going tug for the Department of the Navy; installation and maintenance of aids to navigation for the Saint Lawrence Seaway Corporation; and operation of 2 special projects, Loran–C and Tacan, for the Department of Defense.

12. *Relation of costs to obligations.*—The relationship between reimbursable costs and reimbursable obligations is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Reimbursable program:				
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$102,336	$614,044	$614,044	$614,044
Advances (payments for goods and services on order not yet received)		750	750	750
Work in process		68,718	68,718	68,718
Total selected resources at end of year	102,336	683,512	683,512	683,512
Selected resources at start of year (−)		−102,336	−683,512	−683,512
Adjustment of selected resources reported at start of year		52,294		
Obligations incurred for costs of other years, net		633,470		

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COAST GUARD—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

Object Classification

	1957 actual	1958 estimate	1959 estimate
Direct obligations:			
Military:			
Average number	25,573	26,297	26,139
Number of military personnel at end of year	26,382	26,291	26,133
Civilian:			
Total number of permanent positions	3,395	3,305	3,326
Full-time equivalent of all other positions	77	90	90
Average number of all employees	3,156	3,162	3,168
Number of employees at end of year	3,507	3,633	3,653
Average GS grade and salary	5.5 $4,500	5.5 $4,613	5.6 $4,692
Average salary established by head of agency: Lighthouse keepers	$3,393	$3,477	$3,478
Average salary of ungraded positions	$4,249	$4,402	$4,402
01 Personal services:			
Permanent positions:			
Military	$89,057,311	$91,240,161	$90,387,991
Civilian	13,618,188	13,765,021	13,932,824
Positions other than permanent	383,911	398,000	398,000
Other personal services	262,452	250,240	252,510
Total personal services	103,321,862	105,653,422	104,971,325
02 Travel	4,207,189	4,337,491	4,319,566
03 Transportation of things	2,553,924	2,552.485	2,637,730
04 Communication services	972,140	974,151	1,001,771
05 Rents and utility services	1,304,122	1,305,000	1,373,250
06 Printing and reproduction	427,748	427,259	427,259
07 Other contractual services	13,218,828	13,385,326	14,185,743
Services performed by other agencies	3,175,265	3,385,326	3,385,326
08 Supplies and materials	22,836,832	22.198,226	24,458,672
09 Equipment	10,238,312	10,306,298	10,944,094
10 Lands and structures	704,801	250,000	250,000
11 Grants, subsidies, and contributions		1,062,000	1,102,846
12 Pensions, annuities, and insurance claims	1,027,522	1,057,982	1,298,544
13 Refunds, awards, and indemnities	95,986	57,302	57,302
15 Taxes and assessments	702,913	1,316,500	1,313,916
Subtotal	164,787,444	168,268,768	171,727,344

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Direct obligations—Continued			
Deduct quarters and subsistence charges	$26,262	$27,344	$27,344
Total direct obligations	164,761,182	168,241,424	171,700,000
Reimbursable obligations:			
Total number of positions: Military	3,092	3,101	3,014
Full-time equivalent of all other positions	4	4	3
Average number of all employees	3,096	3,105	3,017
Number of employees at end of year	3,109	3,105	3,017
01 Personal services:			
Military	$9,852,446	$9,984,010	$9,820,439
Full-time equivalent of all other positions	15,000	16,722	13,207
Total personal services	9,867,446	10,000,732	9,833,646
02 Travel	497,794	584,540	542,590
03 Transportation of things	253,397	209,584	209,684
04 Communication services	1,250	62,199	62,649
05 Rents and utility services	2,350	4,150	4,000
06 Printing and reproduction		37,041	37,041
07 Other contractual services	2,942,502	1,853,916	1,800,970
08 Supplies and materials	6,418,779	8,458,622	8,387,936
09 Equipment	2,461,481	2,794,893	1,571,237
11 Grants, subsidies, and contributions		1,076	1,092
12 Pensions, annuities, and insurance claims	161,595	161,595	161,595
15 Taxes and assessments	56,900	134,300	129,900
Total reimbursable obligations	22,663,494	24,302,648	22,742,340
Total obligations	187,424,676	192,544,072	194,442,340

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); [$7,795,000] *$16,000,000*, to remain available until expended. (*Title 14 U. S. C.; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, [a] **$15,895,000** Estimate 1959, **$16,000,000**

[a] Includes $8,100,000 in Supplemental Appropriation Act, 1958.

Program and Financing

	Costs			Analysis of 1959 financing		
	1957 actual	1958 estimate	1959 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1959
Direct program by activities:						
1. Vessels	$3,265	$519,652	$5,365,000	$4,000,000	$2,635,000	$4,000,000
2. Aviation facilities	99,694	11,077,506	1,726,059	12,969,059	20,243,000	9,000,000
3. Shore stations and navigational aids	1,035,996	1,923,008	1,503,150	608,000	886,750	1,781,900
4. Repair and supply facilities	89,383	198,590	2,312,000	1,415,000	321,100	1,218,100
5. Training and recruiting facilities	65	214,183				
6. Loran to meet Department of Defense requirements	256,280	56,708				
Total direct program costs	1,484,683	13,989,647	10,906,209	18,992,059	24,085,850	16,000,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net	7,367,547	10,043,923	5,093,791			
Total direct program (obligations)	8,852,230	24,033,570	16,000,000			
Reimbursable program by activities:						
8. Loran to meet Department of Defense requirements (total reimbursable program costs)	1,124,373	12,794,190	1,443,688			
9. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)	−26,635	−472,814				
Obligations incurred for costs of other years, net			18,556,312			
Total reimbursable program (obligations)	1,097,738	12,321,376	20,000,000			
Total program (obligations)	9,949,968	36,354,946	36,000,000			
Financing:						
Unobligated balance brought forward	−10,899,391	−14,973,438	−13,492			
Advances and reimbursements from—						
Other accounts	−5,450,000	−5,500,000	−20,000,000			
Non-Federal sources (40 U. S. C. 481 (c))	−24,130					
Recovery of prior year obligations	−1,149,885					
Unobligated balance carried forward	14,973,438	13,492	13,492			
Appropriation (new obligational authority)	7,400,000	15,895,000	16,000,000			

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This appropriation provides for the acquisition, construction, rebuilding, and improvement of vessels, aircraft, shore stations, and aids to navigation.

Direct programs by activities—1. *Vessels.*—One buoy tender will be reengined and modernized, 7 patrol boats will be constructed to replace the least serviceable of fifty-three 83-foot wooden-hull craft constructed during World War II, and a design will be developed for the replacement in subsequent years of certain of these craft.

2. *Aviation facilities.*—Two Lockheed C–130 turboprop landplanes will be procured to replace 2 over-age PB1G and 2 modern helicopters of the HUS type will replace 2 over-age helicopters. Spare parts will be obtained for UF aircraft transferred from the Air Force at no cost and without spares. These UF's will replace P4Y's, PB1G's, and R4D's. In addition, certain necessary improvements will be accomplished at two air detachments.

3. *Shore stations and navigational aids.*—Provision is made for the establishment of aids to navigation in waterways improved and developed by the Corps of Engineers and for the installation and replacement of other aids made necessary by the natural shifting of channels and the changing needs of marine commerce. One light station dwelling will be replaced, the power supply will be converted from direct to alternating current at three light stations in Alaska, and an electronic survey will be carried out in the vicinity of New Orleans to determine where a radio station may suitably be located in the gulf area and to acquire the land.

4. *Repair and supply facilities.*—This request provides for the modernization of freight elevators and repairs to a causeway at 2 bases; construction of barracks and other facilities at 1 base; and the improvement of buoy handling facilities and channel at another. In addition, an electric power substation will be replaced at the Coast Guard Yard, Curtis Bay, Md.

6. *Loran to meet Department of Defense requirements.*—Loran construction since 1956 has been financed by the Department of Defense as a reimbursable program. Direct costs incurred under this activity are for projects authorized in prior years when this activity was budgeted for under Coast Guard appropriations.

7. *Relation of costs to obligations.*—The relationship between direct costs and direct obligations is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Direct program:				
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,373,504	$4,056,256	$14,366,280	$21,320,776
Advances (payments for goods and services on order not yet received)	96,411	4,781,206	4,515,105	2,654,400
Total selected resources at end of year	1,469,915	8,837,462	18,881,385	23,975,176
Selected resources at start of year (−)		−1,469,915	−8,837,462	−18,881,385
Obligations incurred for costs of other years, net		7,367,547	10,043,923	5,093,791

Total advances and undelivered orders vary with the projects authorized and their rate of completion. Orders are placed with the Coast Guard yard for vessel construction and with the Navy for procurement of aircraft with delivery scheduled in subsequent years.

Reimbursable programs by activities—8. *Loran to meet Department of Defense requirements.*—Funds have either been provided or are being provided by the Department of Defense for the construction of 12 loran stations with support facilities. The construction program for 1959 contemplates 10 more stations.

9. *Relation of costs to obligations.*—The relationship between reimbursable costs and reimbursable obligations is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Reimbursable program:				
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$609,614	$361,473	$110,674	$18,666,986
Advances (payments for goods and services on order not yet received)	509	222,015		
Total selected resources at end of year	610,123	583,488	110,674	18,666,986
Selected resources at start of year (−)		−610,123	−583,488	−110,674
Costs financed from obligations of other years, net (−)		−26,635	−472,814	
Obligations incurred for costs of other years, net				18,556,312

The increase in undelivered orders in 1959 pertains to the loran construction program for which funds were received from the Department of Defense.

Object Classification

		1957 actual	1958 estimate	1959 estimate
Direct obligations:				
Full-time equivalent of temporary positions		22	40	47
Average number of all employees		22	40	47
Number of employees at end of year		22	40	47
01	Personal services: Positions other than permanent	$109,360	$199,845	$248,617
02	Travel	34,689	50,925	76,975
03	Transportation of things	3,712	18,000	18,000
07	Other contractual services	972,475	196,000	339,100
08	Supplies and materials	247,388	82,888	381,525
09	Equipment	6,485,033	20,034,246	11,959,100
10	Lands and structures	1,109,409	3,439,046	2,958,500
11	Grants, subsidies, and contributions		11,780	17,283
15	Taxes and assessments	838	840	900
	Total direct obligations	8,962,904	24,033,570	16,000,000
Reimbursable obligations:				
Total number of positions: Military		7	7	15
Full-time equivalent of all other positions		25	35	84
Average number of all employees		16	42	99
Number of employees at end of year		19	42	99
01	Personal services: Military	$25,583	$38,360	$107,482
	Positions other than permanent	34,617	163,800	515,839
	Total personal services	60,200	202,160	623,321
02	Travel	342	90,500	331,000
03	Transportation of things	5,659	126,074	268,000
08	Supplies and materials	57,418	232,261	281,000
09	Equipment	502,696	5,218,788	4,815,000
10	Land and structures	360,349	6,441,621	13,644,400
11	Grants, subsidies, and contributions		8,528	35,861
15	Taxes and assessments	400	1,444	1,418
	Total reimbursable obligations	987,064	12,321,376	20,000,000
	Total obligations	9,949,968	36,354,946	36,000,000

Retired Pay

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Uniformed Services Contingency Option Act of 1953, [$26,400,000] *$27,800,000. (Title 14 U. S. C.; 33 U. S. C. 763, 763–1, 763a–1, 765; 34 U. S. C. 430, 643; 37 U. S. C. 115, 232, 233b, 271, 272, 313, 372, 373; 70 Stat. 114–115, 510; Treasury-Post Office Appropriation Act, 1958.)*

Appropriated 1958, **$26,400,000** Estimate 1959, **$27,800,000**

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COAST GUARD—Continued

Current authorizations—Continued

RETIRED PAY—Continued

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Enlisted men	$10,009,283	$10,636,300	$11,234,960
2. Commissioned officers	10,117,471	10,728,502	11,368,166
3. Chief warrant and warrant officers	3,198,432	3,461,429	3,684,953
4. Former Lighthouse and Lifesaving Services	1,611,035	1,639,001	1,609,971
5. Reserve personnel	42,366	51,330	61,950
6. Survivors' benefits	−162,697	−160,000	−160,000
Total program (costs—obligations)	24,815,890	26,356,562	27,800,000
Financing:			
Unobligated balance no longer available	109,110	43,438	
Appropriation (new obligational authority)	24,925,000	26,400,000	27,800,000

This appropriation provides for payments to retired personnel of the Coast Guard and Coast Guard Reserve, members of the former Lifesaving Service, members of the former Lighthouse Service, and certain surviving dependents of retired personnel.

The table below divides activities into those persons who retired for involuntary and voluntary reasons. The columns headed "Involuntary" include all retirements for age, physical disability, and forced attrition. The columns headed "Voluntary" include retirements for military personnel with over 30 years' service, those with 20 to 30 years' service, and other optional retirements.

TYPES OF RETIREMENTS

	1957 actual		*1958 estimate*		*1959 estimate*	
	Involuntary	*Voluntary*	*Involuntary*	*Voluntary*	*Involuntary*	*Voluntary*
Total on roll, beginning of year	4,613	3,671	4,641	4,049	4,729	4,410
Additions to rolls:						
Commissioned	58	79	71	94	75	99
Warrant	28	55	31	54	30	54
Enlisted	134	246	145	215	129	222
Former Lighthouse and Lifesaving Services	23	13	28	13	28	12
Reserve (P. L. 810)	.....	8	.....	5	.....	5
Total additions	243	401	275	381	262	392
Less attritions	215	23	187	20	188	20
Total on roll, end of year	4,641	4,049	4,729	4,410	4,803	4,782

The item "Survivors' benefits" shows the excess of deductions from retired pay over the payments to the survivors as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Survivors benefit payments	$32,075	$36,750	$36,750
Deductions from retired pay	194,772	196,750	196,750
Net cost (savings)	−162,697	−160,000	−160,000

Object Classification

	1957 actual	1958 estimate	1959 estimate
12. Pensions, annuities, and insurance claims	$24,815,890	$26,356,562	$27,800,000

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751–762; 37 U. S. C. 231–319), including direct expenses and repayment to other Coast Guard appropriations for indirect expenses, for regular personnel, or reserve personnel while on active duty, engaged primarily in administration and operation of the reserve program; *purchase of not to exceed six passenger motor vehicles, of which four shall be for replacement only;* and the maintenance, operation, and repair of aircraft; [$15,000,000] *$11,500,000: Provided,* That amounts equal to the obligated balances against the appropriations for "Reserve training", for the two preceding years shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation. (*Title 14 U. S. C.; 37 U. S. C. 231–233, 235–238, 251–254; 50 U. S. C. 921, 1051, 1053; 70 Stat. 747, 807, 857; Treasury-Post Office Appropriation Act, 1958.*)

Appropriated 1958, **$15,000,000** Estimate 1959, **$11,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Trainee expense	$3,723,150	$5,576,645	$6,556,428
2. Operation of training facilities	1,086,081	2,274,741	2,324,468
3. Construction of training facilities	824,275	1,477,300	300,000
4. Administration	1,622,514	2,171,314	2,319,104
Total program costs	7,256,020	11,500,000	11,500,000
Property transferred in (−) without charge, net	−78,655	.....	.....
Total program costs, funded	7,177,365	11,500,000	11,500,000
5. Relation of costs of obligations: Costs financed from obligations of other years, net (−)	−305,643	.....	.....
Total program (obligations)	6,871,722	11,500,000	11,500,000
Financing:			
Unobligated balance no longer available	128,278	3,500,000	.....
Appropriation (new obligational authority)	7,000,000	15,000,000	11,500,000

The Reserve training program is designed to build up a trained Reserve component to the mobilization manpower requirement of 40,000 trained officers and men.

1. *Trainee expense.*—The program for 1958 provides for an increase from 8,525 to 10,430 in the number of reservists to receive training of the type established by the Reserve Forces Act of 1955. The 1959 program provides for a further increase to 12,106.

TYPES OF TRAINING PLANNED

	1958 Man-days of training			*1959 Man-days of training*		
	Drills	*Active duty*	*Total*	*Drills*	*Active duty*	*Total*
Type of training:						
48 drills, 15 days' active duty:						
Port security (including beach patrols)	296,348	77,987	374,335	368,112	87,960	456,072
Vessel augmentation	77,322	20,276	97,598	94,104	21,945	116,049
Interservice, aviation	3,060	887	3,947	3,360	900	4,260
Interservice, other	12,096	2,650	14,746	12,096	3,030	15,126
Selective-service teams	528	162	690	528	165	693
Subtotal	389,354	101,962	491,316	478,200	114,000	592,200
24 drills, (nonpay) 15 days' active duty	5,280	2,400	7,680	5,280	2,400	7,680
6 months' active duty: Enlisted	.....	389,100	389,100	.....	476,460	476,460
Total, all types	394,634	493,462	888,096	483,480	592,860	1,076,340

2. *Operation of training facilities.*—Training stations, vessels, minor shore units, and Organized Reserve training units are utilized to provide training to reservists. In 1959, the number of reservists receiving training under the 6-month program at Alameda Base will be increased from 500 to 750, and 27 additional Organized Reserve training units will be placed in operation.

3. *Construction of training facilities.*—Construction during 1959 is tied to the expanding training program. Facilities at Alameda Base will undergo renovation and repair; summer training facilities at selected minor shore establishments will be improved and equipped to handle larger numbers of trainees; and 27 additional Organized Reserve training units will be housed and outfitted.

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4. *Administration.*—This activity comprises the supervisory and logistic functions which are essential for the control and support of the Reserve training program. It includes headquarters and district office management, recruiting effort, and "in-training and ineffectives" allowance for administrative personnel at school, in transit, etc. The 1959 estimates include additional funds for three vehicles to be assigned to district offices and for "in-training and ineffective" personnel to back up the added personnel under activity 2.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year (inventories and items on order):				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$255,684	$382,592	$382,592	$382,592
Advances (payments for goods and services on order not yet received)	607,261	102,168	102,168	102,168
Total selected resources at end of year	862,945	484,760	484,760	484,760
Selected resources at start of year (−)		−862,945	−484,760	−484,760
Adjustments of selected resources reported at start of year		72,542		
Costs financed from obligations of other years, net (−)		−305,643		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Military:			
Average number	345	662	667
Number of military personnel at end of year	384	622	667
Civilian:			
Total number of permanent positions	71	80	80
Average number of all employees	62	79	79
Number of employees at end of year	59	80	80
Average GS grade and salary	4.1 $3,611	4.1 $3,747	4.1 $3,804
01 Personal services:			
Permanent positions:			
Military	$1,591,435	$2,730,227	$2,858,661
Civilian	223,822	295,482	299,941
Other personal services	986	1,853	1,871
Drill and active duty pay of trainees	3,083,383	3,909,668	4,495,766
Total personal services	4,899,626	6,937,230	7,656,239
02 Travel	458,023	824,800	952,239
03 Transportation of things	33,290	44,500	81,770
04 Communication services	17,257	11,300	11,700
05 Rents and utility services	31,739	69,500	89,000
06 Printing and reproduction	25,494	16,500	41,667
07 Other contractual services	196,351	772,200	207,594
08 Supplies and materials	790,530	1,615,137	1,771,342
09 Equipment	245,631	407,749	405,850
10 Lands and structures	158,318	698,000	175,000
11 Grants, subsidies, and contributions		18,580	19,617
12 Pensions, annuities, and insurance claims	200		
15 Taxes and assessments	15,263	84,504	87,982
Total obligations	6,871,722	11,500,000	11,500,000

Intragovernmental funds:

COAST GUARD SUPPLY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Sales program: Cost of goods sold (total costs)	$13,705,553	$14,736,000	$15,031,000
2. Relation of costs to obligations: Obligations incurred for costs of other years, net	520,960	505,820	221,000
Total program (obligations)	14,226,513	15,241,820	15,252,000
Financing:			
Sale of commodities	13,777,573	14,886,000	15,031,000
Unobligated balance brought forward	1,583,493	1,134,553	778,733
Total amounts available	15,361,066	16,020,553	15,809,733
Unobligated balance carried forward	−1,134,553	−778,733	−557,733
Financing applied to program	14,226,513	15,241,820	15,252,000

The Coast Guard supply fund, established in accordance with 14 U. S. C. 650, finances the procurement of commissary provisions, general stores, technical materials, and uniform clothing.

Budget program.—Costs of approximately $15 million to be incurred under the sales program of this fund in 1959 are divided 69% for commissary provisions, 17% for general stores and technical materials, and 14% for uniform clothing. The increase in costs from 1957 through 1959 is attributable to the expansion of the Reserve training program and attendant activities.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Advances	$6,000	$3,790	$9,000	$9,000
Inventories, deferred charges, etc	3,851,323	4,496,013	5,263,013	5,578,013
Unpaid undelivered orders	515,986	916,390	1,000,000	1,006,000
Total selected resources at end of year	4,373,309	5,416,193	6,272,013	6,593,013
Selected resources at start of year (−)	4,373,309	5,416,193	6,272,013	
Increase in selected resources		1,042,884	855,820	321,000
Property transferred in (−) without charge, net		−521,924	−350,000	−100,000
Obligations incurred for costs of other years, net		520,960	505,820	221,000

Operating results.—Sales are expected to increase at the rate of approximately $1,100,000 in 1958 and $150,000 in 1959.

The 20% rise in the inventory level between 1957 and 1959 is due to: (1) a rise in uniform prices effective July 1, 1957, (2) the transfer of material from other inventory accounts under authority of Public Law 1014, Eighty-fourth Congress, and (3) additions to present stock levels to handle increased volume.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale	$13,863,224	$15,153,000	$15,246,000
Increase in selected working capital			1,000
Total gross expenditures	13,863,224	15,153,000	15,247,000
Receipts from operations (funds provided):			
Sale of commodities	13,777,573	14,886,000	15,031,000
Decrease in selected working capital	197,669	162,000	
Total receipts from operations	13,975,242	15,048,000	15,031,000
Budget expenditures	−112,018	105,000	216,000

Revenue, Expense, and Retained Earnings

Revenue	$13,777,573	$14,886,000	$15,031,000
Expense	13,705,553	14,736,000	15,031,000
Net income for the year	72,020	150,000	
Retained earnings, beginning of year	68,400	140,420	290,420
Retained earnings, end of year	140,420	290,420	290,420

Financial Condition

Assets:			
Cash with Treasury	$2,507,043	$2,402,043	$2,186,043
Accounts receivable, net	1,177,537	1,190,376	1,202,376
Advances	3,790	9,000	9,000
Commodities for sale	4,496,013	5,263,013	5,578,013
Total assets	8,184,383	8,864,432	8,975,432
Liabilities:			
Current	1,633,637	1,813,686	1,824,686
Government investment:			
Non-interest-bearing capital:			
Start of year	5,888,402	6,410,326	6,760,326
Transfer of material from other inventory accounts (Public Law 1014, 84th Cong.)	521,924	350,000	100,000
End of year	6,410,326	6,760,326	6,860,326
Retained earnings	140,420	290,420	290,420
Total Government investment	6,550,746	7,050,746	7,150,746

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COAST GUARD—Continued

Intragovernmental funds—Continued

Coast Guard Supply Fund—Continued

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balances: Cash	$2,395,025	$2,507,043	$2,402,043	$2,186,043
Obligated balance, net: Current liabilities	1,019,277	1,633,637	1,813,686	1,824,686
Unpaid undelivered orders	515,986	916,390	1,000,000	1,006,000
Accounts receivable, net and cash in transit (−)	−723,731	−1,177,537	−1,190,376	−1,202,376
Total obligated balance	811,532	1,372,490	1,623,310	1,628,310
Unobligated balance	1,583,493	1,134,553	778,733	557,733

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$14,226,513	$15,241,820	$15,252,000

Coast Guard Yard Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Industrial sales program:			
Cost of goods sold	$4,150,026	$4,609,000	$4,560,000
Other	7,361,078	8,648,310	9,097,500
Total operating costs	11,511,104	13,257,310	13,657,500
Depreciation included above (−)	−115,541	−111,957	−111,957
Raw materials furnished by customer included above	−1,054,699	−750,000	−750,000
Net loss and writeoffs (−) or gain from sale of equipment included above	−17,540	1,500	1,500
Total operating costs, funded	10,323,324	12,396,853	12,797,043
Capital outlay:			
Industrial sales program:			
Acquisition of equipment	185,938	109,000	400,000
Property transferred in (−) without charge, net	−100,088		−200,000
Total capital outlay, funded	85,850	109,000	200,000
Total program costs, funded	10,409,174	12,505,853	12,997,043
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−234,245	−83,943
Obligations incurred for costs of other years, net	436,901		
Total program (obligations)	10,846,075	12,271,608	12,913,100
Financing:			
Amounts becoming available:			
Revenues and receipts:			
Sales of goods and services	11,231,889	13,378,500	13,657,500
Less raw materials furnished by customer included above (−)	−1,054,699	−750,000	−750,000
	10,177,190	12,628,500	12,907,500
Proceeds from sale of equipment	4,235	1,500	1,500
Increase or decrease (−) in unfilled customers' orders	−62,299	275,030	−689,574
Total amounts becoming available	10,119,126	12,905,030	12,219,426
Unobligated balance brought forward	790,516	63,567	696,989
Total amounts available	10,909,642	12,968,597	12,916,415
Unobligated balance carried forward	−63,567	−696,989	−3,315
Financing applied to program	10,846,075	12,271,608	12,913,100

This fund finances industrial operations at the Coast Guard Yard, Curtis Bay, Md. (14 U. S. C. 648).

Budget program.—Costs of approximately $14 million to be incurred under this fund in 1959 are divided as follows:

ANALYSIS BY TYPE OF WORK

	Percentage 1959 estimate
Vessel repairs and alterations	51
Vessel construction	28
Small boat construction	11
Small boat repair	1
Buoy fabrication	1
Fabrication of special items	7
Sale of surplus material and scrap	1

ANALYSIS BY RECIPIENT OF YARD SERVICES

Coast Guard	86
Other Government agencies	13
Sale of surplus material and scrap	1

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories:				
Raw materials	$1,875,450	$2,028,365	$1,840,561	$1,840,561
Finished goods	336,746	283,649	262,595	262,595
Deferred charges	104,651	74,318	43,984	13,651
Unpaid undelivered orders	268,184	533,663	538,610	485,000
Total selected resources at end of year	2,585,031	2,919,995	2,685,750	2,601,807
Selected resources at start of year (−)	−2,585,031	−2,919,995	−2,685,750	
Increase or decrease (−) in selected resources		334,964	−234,245	−83,943
Property transferred out without charge, net		101,937		
Costs financed from obligations of other years, net (−)			−234,245	−83,943
Obligations incurred for costs of other years, net		436,901		

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Purchase of equipment	$85,850	$109,000	$200,000
Expense:			
Purchase of raw materials	3,341,289	3,671,196	3,810,000
Other expense	7,227,997	8,537,853	8,987,043
Donation of working capital assets	8,892		
Increase in selected working capital			632,870
Total gross expenditures	10,664,028	12,318,049	13,629,913
Receipts from operations (funds provided):			
Sales of goods and services	10,177,190	12,628,500	12,907,500
Proceeds from sale of equipment	4,235	1,500	1,500
Decrease in selected working capital	73,043	230,998	
Total receipts from operations	10,254,468	12,860,998	12,909,000
Budget expenditures	409,560	−542,949	720,913

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Operating income or loss (−):			
Revenue	$11,231,889	$13,378,500	$13,657,500
Expense	11,493,564	13,258,810	13,659,000
Net operating income or loss (−)	−261,675	119,690	−1,500
Nonoperating income or loss (−):			
Proceeds from sale of equipment	4,235	1,500	1,500
Net book value of assets sold (−)	−15,025		
Net gain or loss (−) from sale of equipment	−10,790	1,500	1,500
Net income or loss (−) for the year	−272,465	121,190	
Analysis of retained earnings or deficit:			
Retained earnings or deficit (−), beginning of year	157,285	−120,612	578
Adjustments not affecting selected working capital (−)	−5,432		
Retained earnings or deficit (−), end of year	−120,612	578	578

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash with Treasury	$1,740,638	$2,283,587	$1,562,674
Accounts receivable, net	115,960	98,500	111,113
Inventories:			
Raw materials	2,028,365	1,840,561	1,840,561
Finished goods	283,649	262,595	262,595
Deferred charges	74,318	43,984	13,651
Land, structures and equipment, net	7,102,004	6,871,099	6,927,194
Total assets	11,344,934	11,400,326	10,717,788

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Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Liabilities:			
Current	$2,682,660	$2,844,810	$2,194,220
Government investment:			
Non-interest-bearing capital:			
Start of year	9,014,334	8,782,886	8,554,938
Donations in or out (−), net	−3,167		200,000
Depreciation not recoverable from operations (−)	−228,281	−227,948	−231,948
End of year	8,782,886	8,554,938	8,522,990
Retained earnings or deficit (−)	−120,612	578	578
Total Government investment	8,662,274	8,555,516	8,523,568

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$2,150,198	$1,740,638	$2,283,587	$1,562,674
Obligated balance, net:				
Current liabilities	2,720,937	2,682,660	2,844,810	2,194,220
Unpaid undelivered orders	268,184	533,663	538,610	485,000
Accounts receivable, net (−)	−143,848	−115,960	−98,500	−111,113
Unfilled customers' orders (−)	−1,485,591	−1,423,292	−1,698,322	−1,008,748
Total obligated balance	1,359,682	1,677,071	1,586,598	1,559,359
Unobligated balance	790,516	63,567	696,989	3,315

Object Classification

	1957 actual	1958 estimate	1959 estimate
Military:			
Average number	61	65	65
Number of military personnel at end of year	62	65	65
Civilian:			
Total number of permanent positions	1,239	1,296	1,307
Average number of all employees	1,231	1,284	1,295
Number of employees at end of year	1,201	1,275	1,300
Average GS grade and salary	5.5 $4,416	5.7 $4,507	5.8 $4,626
Average salary of ungraded positions	$4,614	$4,789	$4,931
01 Personal services:			
Permanent positions:			
Military	$306,017	$319,913	$319,913
Civilian	5,840,175	6,099,207	6,330,637
Other personal services	645,593	680,623	681,506
Total personal services	6,791,785	7,099,743	7,332,056
02 Travel	7,959	9,068	9,000
03 Transportation of things	38,307	30,000	30,000
04 Communication services	23,743	23,400	23,000
05 Rents and utility services	135,201	142,548	143,000
06 Printing and reproduction	4,813	5,800	6,000
07 Other contractual services	195,502	582,534	648,987
08 Supplies and materials	3,289,289	3,864,348	4,173,667
09 Equipment	85,850	109,000	200,000
11 Grants, subsidies, and contributions		392,820	393,000
13 Refunds, awards, and indemnities	2,391	2,400	3,000
15 Taxes and assessments	5,756	5,000	5,000
Total accrued expenditures	10,580,596	12,266,661	12,966,710
Increase or decrease (−) in undelivered orders	265,479	4,947	−53,610
Total obligations	10,846,075	12,271,608	12,913,100

Advances and Reimbursements

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Sale of military clothing by Reserve training appropriation (total program costs—obligations)	$57,416		
Financing:			
Advances and reimbursements from other accounts	$57,416		

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$57,416		

INTEREST ON THE PUBLIC DEBT

Permanent authorizations:

Interest on the Public Debt

(Indefinite)

Appropriated (est.) 1958, **$7,800,000,000**

Estimate 1959, **$7,800,000,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of interest (total obligations)	$7,244,193,486	$7,800,000,000	$7,800,000,000
Financing:			
Appropriation (new obligational authority)	7,244,193,486	7,800,000,000	7,800,000,000

Such amounts are appropriated as may be necessary to pay the interest on the public debt each year. Current higher interest rates which must be paid on new borrowings or when maturing securities are refinanced are the cause of the increases shown in 1958 and 1959 (31 U. S. C. 711 (2) and 732).

Object Classification

	1957 actual	1958 estimate	1959 estimate
14 Interest	$7,244,193,486	$7,800,000,000	$7,800,000,000

GENERAL PROVISIONS—TREASURY DEPARTMENT

Sec. 102. Not to exceed 5 per centum of any appropriation herein made to the Treasury Department for the current fiscal year[, except for the appropriations made to the U. S. Coast Guard,] may be transferred, with the approval of the Bureau of the Budget, to any other appropriation of the Treasury Department, but no appropriation shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the Committees on Appropriations of the Senate and House of Representatives[: *Provided*, That no transfer made under this authority shall result in increasing any appropriation in excess of the budget estimate as presented in House Document 16, Eighty-fifth Congress]. (*Treasury-Post Office Appropriation Act, 1958.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1959

TREASURY DEPARTMENT

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purposes
	Number	Gross cost	Number	Allowance (estimate)				
OFFICE OF THE SECRETARY								
Salaries and expenses						4	$500	Transportation for the Secretary, Under Secretaries and, assistant secretaries to and from official meetings and conferences held with congressional committees, international organizations, and officials of other Government agencies.
BUREAU OF ACCOUNTS								
Salaries and expenses, Division of Disbursement: Station wagon.						1		Transaction of official business in the Philippine Islands.
BUREAU OF CUSTOMS								
Salaries and expenses	75	$112,500	75	$15,000	$97,500	534		Official transportation between customhouses, wharves, airports, and piers, for surveillance of suspects in criminal conspiracy cases.
INTERNAL REVENUE SERVICE								
Salaries and expenses	100	128,500	100	10,500	118,000	1,255		All vehicles to be used by alcohol and tobacco tax and intelligence agents enforcing internal revenue laws.
Station wagon						8		Do.
BUREAU OF NARCOTICS								
Salaries and expenses						264		All cars to be used by narcotics agents in enforcing narcotic and marihuana laws.
BUREAU OF ENGRAVING AND PRINTING								
Bureau of Engraving and Printing fund.						1		Used in the transaction of official business.
Station wagon						3		Transporting armed guards protecting Government securities.
UNITED STATES SECRET SERVICE								
Salaries and expenses	26	39,000	26	3,900	35,100	180	3,000	All vehicles to be used by agents of the Secret Service engaged in law enforcement.
Station wagon						1		Do.
BUREAU OF THE MINT								
Salaries and expenses: Station wagon.						2		To transport guards at bullion depository.
COAST GUARD								
Operating expenses	22	33,000	22	3,300	29,700	103		Used by employees in transaction of official business.
Station wagon	8	15,600	8	1,200	14,400	42		Do.
Ambulance						9		Do.
Bus	1	7,200	1	200	7,000	14	6,070	Do.
Reserve training: Station wagon	4	7,800	3	450	7,350	2	1,070	Used by employees in transaction of official business for the administration of the reserve training program.
Bus	2	12,200	1	200	12,000			Do.
Coast Guard yard fund						2		Used by officers and employees in the transaction of official business at Curtis Bay, Md.
Station wagon						3		Do.
Ambulance						1		Do.
Total, Coast Guard	37	75,800	35	5,350	70,450	176	7,140	
Total, Treasury Department	238	355,800	236	34,750	321,050	2,429	10,640	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1959

TREASURY DEPARTMENT

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
COAST GUARD								
Operating expenses						124	$13,644,170	For official use of Coast Guard in performance of assigned duties and carrying of passengers in connection therewith, when necessary.
Acquisition, construction, and improvements.	4	$7,866,000			$7,866,000			For replacement of aircraft for official use of Coast Guard in performance of assigned duties and carrying of passengers in connection therewith, when necessary.

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MEMORANDUM

STATUTORY PUBLIC DEBT RETIREMENTS

Permanent authorizations:

CUMULATIVE SINKING FUND

(Indefinite)

Appropriated (est.) 1958, **$633,349,085**

Estimate 1959, **$633,349,085**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	−$10,157,862,182	−$10,791,211,267	−$11,424,560,352
Unobligated balance carried forward	10,791,211,267	11,424,560,352	12,057,909,437
Appropriation (new obligational authority)	633,349,085	633,349,085	633,349,085

There is appropriated to the cumulative sinking fund annually a sum equal to (1) 2½% of the amount of certain bonds and notes issued under the Liberty Bond Acts and outstanding on July 1, 1920, less an amount equal to the par amount of obligations of foreign governments held by the United States on that date, (2) an amount equal to the interest which would otherwise have been payable on bonds and notes which have been retired out of the sinking fund during the years, together with (3) 2½% of certain expenditures during the 1930's. The sinking fund is available to retire bonds and notes at maturity or to purchase them before maturity (31 U. S. C. 767, 767 a and b).

OBLIGATIONS RETIRED FROM FEDERAL INTERMEDIATE CREDIT BANK FRANCHISE TAX RECEIPTS

(Indefinite special account)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$19	----------	----------
Transferred to public debt receipts	−139,000	----------	----------
Appropriation (new obligational authority)	138,981	----------	----------

Public Law 809, approved July 26, 1956, removed the limitations on the use of the moneys received in payment of franchise taxes by Federal intermediate credit banks, which had formerly been used to supplement the gold reserve or to reduce the bonded indebtedness of the United States (50 Stat. 715; 12 U. S. C. 1072).

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DISTRICT OF COLUMBIA

The budget proposes a Federal payment to the general fund of the District of Columbia government of $25 million, compared with $20 million appropriated for 1958. The amount proposed for 1959 consists of the full $23 million annual payment authorized by law, together with $2 million representing a portion of payments authorized but not appropriated in previous years.

The budget also includes Federal payments to other District funds, estimated at $11 million in 1959, for water and sewer service rendered to the Federal Government, and for interest-bearing loans made to the District for capital outlays for highways, water, and sewage works.

In addition, the budget provides for payment to the District of grants-in-aid for the performance of certain functions of the types performed by the several States. The Federal payments to the District for this purpose are included with the estimates for each of the corresponding payments to States in other parts of the budget.

The Congress serves as the legislative body for the District of Columbia and enacts the District's total budget, authorizing expenditures from funds available to the District from its own revenues and from payments made to it by the Federal Government. This year, detailed estimates for the District as a whole, including the Federal payments and loans to the District, estimates of appropriations from District revenues, and information regarding allocations to various Federal agencies for services rendered to the District, are printed in a separate volume of the budget. The main volume of the budget contains detail only for the Federal payments and loans to the District. However, to the extent that transactions involving the District affect summary tables in the main volume of the budget, they are reflected in the same manner as heretofore.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

By function and subfunction

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
General government:						
609 Territories and possessions, and the District of Columbia	$33,259	$32,136	$35,829	$26,459	$30,007	$37,609

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

Account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES (from new and prior authorizations)		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Current authorizations:							
Federal payment to District of Columbia	609	$22,558,650	$22,504,450	$27,229,000	$22,558,650	$22,504,450	$27,229,000
Loans to District of Columbia for capital outlay, highway fund	609	5,400,000	6,481,100	5,500,000			2,000,000
Loans to District of Columbia for capital outlay, water fund	609	5,300,000	1,600,000	3,100,000	3,900,000	4,203,000	7,380,000
Loans to District of Columbia for capital outlay, sanitary sewage works fund	609		1,550,000			3,300,000	1,000,000
Total new obligational authority and budget expenditures		33,258,650	32,135,550	35,829,000	26,458,650	30,007,450	37,609,000
RECAPITULATION							
Enacted or recommended in this document:							
Current authorizations:							
Appropriations		$33,258,650	$32,135,550	$35,829,000	$26,458,650	$30,007,450	$37,609,000

ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
Current authorizations:											
Federal payment to District of Columbia							$27,229	$27,229			
Loans to District of Columbia for capital outlay, highway fund	$9,357	$9,357	$14,757	$14,757	$21,238	$21,238	5,500		$2,000	$24,738	$24,738
Loans to District of Columbia for capital outlay, water fund	18,780	18,780	20,180	20,180	17,577	17,577	3,100		7,380	13,297	13,297
Loans to District of Columbia for capital outlay, sanitary sewage works fund	2,750	2,750	2,750	2,750	1,000	1,000			1,000		
Total, District of Columbia	30,887	30,887	37,687	37,687	39,815	39,815	35,829	27,229	10,380	38,035	38,035
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$30,887	$30,887	$37,687	$37,687	$39,815	$39,815	$35,829	$27,229	$10,380	$38,035	$38,035

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1957 actual	1958 estimate	1959 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Appropriations	$30,887	$37,687	$39,815
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	33,259	32,136	35,829
Total budget authorizations available	64,146	69,823	75,644
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	26,459	30,007	27,229
Out of balances of prior obligational authority			10,380
Total budget expenditures	26,459	30,007	37,609
Balances carried forward at close of year from authorizations enacted or recommended in this document: Appropriations	37,687	39,815	38,035
Obligations incurred, net	$26,459	$30,007	$37,609

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FEDERAL FUNDS

Current authorizations:

FEDERAL PAYMENT TO DISTRICT OF COLUMBIA

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are appropriated for the District of Columbia for the fiscal year ending June 30, [1958] *1959*, out of (1) the general fund of the District of Columbia (unless otherwise herein specifically provided), hereinafter known as the general fund, such fund being composed of the revenues of the District of Columbia other than those applied by law to special funds, and [$20,000,000] *$25,000,000* which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1957] *1958*, and of which $7,000,000 shall be available for capital outlay only), (2) the highway fund (when designated as payable therefrom), established by law (D. C. Code, title 47, ch. 19), (3) the water fund (when designated as payable therefrom), established by law (D. C. Code, title 43, ch. 15), and [$1,751,450] *$1,532,000*, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1957] *1958*), (4) the sanitary sewage works fund (when designated as payable therefrom), established by law (Public Law 364, 83d Congress), and [$753,000] *$697,000*, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1957] *1958*), and (5) the motor vehicle parking fund (when designated as payable therefrom), established by law (D. C. Code, title 40, ch. 8), sums as shown herein; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, [$9,631,100] *$8,600,000*, which, together with balances of previous appropriations for this purpose, shall remain available until expended, for loans authorized by the Act of May 18, 1954 (68 Stat. 101), to be advanced upon request of the Commissioners to the following funds: highway fund, [$6,481,100] *$5,500,000, and* water fund, [$1,600,000, and sanitary sewage works fund, $1,550,000] *$3,100,000.* (*District of Columbia Appropriation Act, 1958.*)

Appropriated 1958, **$22,504,450** Estimate 1959, **$27,229,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payment to District of Columbia	$20,000,000	$20,000,000	$25,000,000
2. Payment for water and sewer service	2,558,650	2,504,450	2,229,000
Total obligations	22,558,650	22,504,450	27,229,000
Financing:			
Appropriation (new obligational authority)	22,558,650	22,504,450	27,229,000

The Federal payment includes $23,000,000 as the authorized annual payment by the United States toward defraying expenses of the government of the District of Columbia; $2,000,000 as a partial restoration of payments authorized, but not appropriated, in previous years; and, $2,229,000 as payment for water and sewer services (61 Stat. 361; 68 Stat. 113; 70 Stat. 83).

Object Classification

		1957 actual	1958 estimate	1959 estimate
05	Rents and utility services	$2,558,650	$2,504,450	$2,229,000
11	Grants, subsidies, and contributions	20,000,000	20,000,000	25,000,000
	Total obligations	22,558,650	22,504,450	27,229,000

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, HIGHWAY FUND

Appropriated 1958, **$6,481,100** Estimate 1959, **$5,500,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Improvement of the District of Columbia highway system (total obligations)			$2,000,000
Financing:			
Unobligated balance brought forward	−$9,357,000	−$14,757,000	−21,238,100
Unobligated balance carried forward	14,757,000	21,238,100	24,738,100
Appropriation (new obligational authority)	5,400,000	6,481,100	5,500,000

This appropriation is for 30-year interest-bearing loans from U. S. Treasury to assist in financing a program of highway construction projects (68 Stat. 110). The status of the $50,250,000 authorization is:

[Cumulative figures]

	1957 actual	*1958 estimate*	*1959 estimate*
Appropriations	$14,757,000	$21,238,100	$26,738,100
Funds withdrawn			2,000,000
Amounts repaid			

Object Classification

		1957 actual	1958 estimate	1959 estimate
16	Investments and loans			$2,000,000

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, WATER FUND

Appropriated 1958, **$1,600,000** Estimate 1959, **$3,100,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Loans for expansion and improvement of the District of Columbia water system (total obligations)	$3,900,000	$4,203,000	$7,380,000
Financing:			
Unobligated balance brought forward	−18,780,000	−20,180,000	−17,577,000
Unobligated balance carried forward	20,180,000	17,577,000	13,297,000
Appropriation (new obligational authority)	5,300,000	1,600,000	3,100,000

This appropriation is for 30-year interest-bearing loans from U. S. Treasury to assist in financing a program of expansion and improvement of the water system (64 Stat. 195; 68 Stat. 103). The status of the $35 million authorization is:

[Cumulative figures]

	1957 actual	*1958 estimate*	*1959 estimate*
Appropriations	$28,280,000	$29,880,000	$32,980,000
Funds withdrawn	8,100,000	12,303,000	19,683,000
Amounts repaid	76,927	153,648	277,230

Object Classification

		1957 actual	1958 estimate	1959 estimate
16	Investments and loans	$3,900,000	$4,203,000	$7,380,000

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FEDERAL FUNDS—Continued

Current authorizations—Continued

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, SANITARY SEWAGE WORKS FUND

Appropriated 1958, **$1,550,000**

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Improvement of sanitary sewage system of the District of Columbia (total obligations)		$3,300,000	$1,000,000
Financing:			
Unobligated balance brought forward	−$2,750,000	−2,750,000	−1,000,000
Unobligated balance carried forward	2,750,000	1,000,000	
Appropriation (new obligational authority)		1,550,000	

This appropriation is for 30-year interest-bearing loans from U. S. Treasury to assist in financing the construction, operation, maintenance, and the repair of the sanitary sewage works of the District of Columbia (68 Stat. 105). The status of the $5 million authorization is:

[Cumulative figures]

	1957 actual	*1958 estimate*	*1959 estimate*
Appropriations	$2,750,000	$4,300,000	$4,300,000
Funds withdrawn		3,300,000	4,300,000
Amounts repaid			

Object Classification

	1957 actual	1958 estimate	1959 estimate
16 Investments and loans		$3,300,000	$1,000,000

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PART III

ESTIMATES FOR TRUST FUNDS

Table 10. Trust Receipts and Expenditures
Detailed Estimates

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INTRODUCTION TO PART III

Part III of the budget contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds. It excludes the detail on trust fund programs which require annual action by Congress (shown in part II) and the detail on the District of Columbia municipal government funds (contained in a separate budget volume).

TRUST AND DEPOSIT FUNDS DISTINGUISHED

The funds which are covered in this part of the budget are of two types, as follows:

Trust funds are those funds established to account for receipts which are held in trust by the Government for use in carrying out specific purposes and programs in accordance with a trust agreement or a statute. Within the category of trust funds, there is a subcategory of *trust revolving* funds, which are trust funds used to carry on a cycle of business-type operations, including certain corporations which are partly owned by the Government and partly by private interests.

Deposit funds are those funds established to account for collections that are either (*a*) held in suspense temporarily and later refunded or paid into some other fund of the Government, or (*b*) held by the Government as banker or agent for others, being paid out in lump sums at the direction of the owner. Such funds are not available for paying salaries, expenses, grants, or other expenditures of the Government.

While the transactions in these groups of funds are a part of the financial program of the Government, trust and deposit funds are not fully owned by the Government; hence these transactions are excluded from budget totals.

TRUST FUND RECEIPTS AND EXPENDITURES

Receipts.—Like budget receipts, trust fund receipts are based upon collections received and deposited, including U. S. securities received in lieu of cash and contributions to the trust funds from the general fund. The conversion of U. S. Government securities on hand into cash is excluded from receipts, but such sales and redemptions are listed in special analysis J of part IV on a net basis.

Expenditures.—Like budget expenditures, trust fund expenditures are stated on a checks-issued basis, less refunds collected. Net investments in U. S. Government securities are excluded from the figures, and are listed in special analysis J of part IV.

Trust revolving funds.—The small group of funds which constitute trust revolving funds are reported on a *net* expenditure basis. The collections of trust revolving funds, instead of being taken into the tables as receipts, are deducted from expenditures. The gross figures are shown in a supplementary summary table and in the detailed schedules.

OBLIGATIONAL AUTHORITY FOR TRUST FUNDS

Trust fund receipts must be appropriated before they can be obligated or spent, with the exception of those few cases where the law grants contract authorization in advance (for example, the highway trust fund).

Most trust funds are appropriated by permanent law, not requiring further action by Congress. Usually the appropriations equal the receipts of the year. In a few cases receipts of trust funds can be spent only in accordance with appropriations enacted by Congress from year to year. Examples are the highway trust fund, funds of the United States Soldiers' Home, and the municipal revenues of the District of Columbia (which are accounted for as trust funds by the Federal Government). In a few other cases, trust fund receipts are permanently appropriated for benefit payments, but limitations on administrative expenses payable out of the trust funds are imposed by annual action of the Congress.

DEPOSIT FUND EXPENDITURES

Table 10 includes deposit fund expenditures by department or agency. These expenditures are on a net basis; that is, the collections are deducted from checks issued, and the resulting figure is shown as an expenditure. Checks issued include those written to move money into other funds, as well as those written for refunds and the return of money to depositors. When the collections are larger than the checks issued, the amount shown as an expenditure is a negative item.

NET ACCUMULATION IN TRUST AND DEPOSIT FUNDS

Table 10 shows the net accumulation in all the trust and deposit funds. This represents the result obtained when the trust and deposit fund expenditures are subtracted from the trust receipts of the year. Since trust and deposit funds, as well as Federal funds, affect the total cash balance of the Treasury and the total public debt, the final figures on table 10 are carried forward into table 4 of part I. Data on the unexpended balances of the largest trust funds are appended to the table.

DETAIL OF TRUST FUND ESTIMATES

The detailed material in part III covers the trust funds which do not require annual action by Congress. Consolidated schedules are used for the smaller trust funds of each bureau or independent agency.

The material here follows the general format of the similar material in part II, with the principal exception that these schedules show receipts in place of showing appropriations. In cases where the receipts are not permanently appropriated as the money is collected, the schedules identify the portion of the unobligated balances on hand which is appropriated and the portion which is unappropriated. Also, no appropriation language appears here, and the narrative statement of "Program and performance" usually consists only of an explanation of the sources of money for the fund, the purposes for which it is authorized to be spent, and the legal citations.

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TRUST FUNDS

Total trust fund receipts in the fiscal year 1959 are estimated to be $16,619 million, and trust fund expenditures $16,364 million. Thus the net accumulation in the trust funds during 1959 will be $255 million. As indicated in the following table, trust fund expenditures are now rising at a faster rate than receipts.

TOTAL TRUST FUND TRANSACTIONS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Receipts	$14,369	$16,373	$16,619
Expenditures	12,961	15,196	16,364
Net accumulation	1,408	1,177	255

The financial transactions of the trust funds are a significant part of the program of the Government. In some cases—notably in labor and welfare activities—trust fund expenditures represent a larger part of the Government's program than do budget expenditures. Table 5 of part I of this budget shows budget expenditures, trust expenditures, and total Federal payments to the public for 1959. Special analysis A, in part IV, shows similar data for a number of years.

The following table summarizes trust fund expenditures by function for the fiscal years 1957 through 1959:

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Major national security	$93	$251	$255
International affairs and finance	5	10	9
Veterans' services and benefits	608	656	691
Labor and welfare	9,647	11,385	12,288
Agriculture and agricultural resources	148	118	−169
Natural resources	33	36	30
Commerce and housing	1,934	2,452	2,830
General government	268	326	386
Interest	(*)	(*)	(*)
Deposit funds, net [1]	225	−39	43
Total	12,961	15,196	16,364

* Less than one-half million.

[1] Excludes deposit funds of Government-sponsored enterprises. These have been allocated to the appropriate function above.

A table on page 828, at the end of this statement, presents trust and deposit fund expenditures by function for the fiscal years 1948 through 1956.

While there are hundreds of separate trust and deposit funds, the bulk of the transactions and the largest amounts of money are in the following trust funds.

TRANSACTIONS OF MAJOR TRUST FUNDS

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Labor and welfare:			
Federal old-age and survivors insurance trust fund:			
Receipts	$7,159	$7,739	$7,933
Expenditures	6,723	8,112	8,745
Net accumulation	436	−373	−812
Balance in fund at end of year [1] [2]	23,029	22,554	21,540
Federal disability insurance trust fund:			
Receipts	339	911	949
Expenditures	1	187	244
Net accumulation	338	724	705
Balance in fund at end of year [3]	338	1,062	1,777

[1] Includes reimbursements from Federal disability insurance trust fund of $9 million in 1958 and $18 million in 1959.

[2] Includes interfund transfers to railroad retirement account of $110 million in 1958 and $220 million in 1959.

[3] Includes interfund transfer from railroad retirement account of $10 million in 1959.

TRANSACTIONS OF MAJOR TRUST FUNDS—Continued

[In millions]

	1957 actual	*1958 estimate*	*1959 estimate*
Labor and welfare—Continued			
Railroad retirement account:			
Receipts	$723	$730	$739
Expenditures	682	717	754
Net accumulation	41	13	−15
Balance in fund at end of year [4]	3,703	3,826	4,020
Federal employees' retirement funds (civil service and foreign service):			
Receipts	1,397	1,484	1,528
Expenditures	590	712	805
Net accumulation	807	772	723
Balance in funds at end of year	7,535	8,307	9,030
Unemployment trust fund:			
Receipts	1,912	1,988	2,005
Expenditures	1,644	1,678	1,768
Net accumulation	268	310	237
Balance in fund at end of year	9,058	9,368	9,605
Veterans' services and benefits: Veterans' life insurance trust funds:			
Receipts	677	699	706
Expenditures	601	647	682
Net accumulation	76	52	24
Balance in funds at end of year	6,785	6,837	6,861
Commerce and housing:			
Highway trust funds:			
Receipts	1,482	2,138	[5] 2,180
Expenditures	966	1,870	2,493
Net accumulation	516	268	−313
Balance in funds at end of year	516	785	472
Federal National Mortgage Association, secondary market operations:			
Mortgage sales and repayments	22	64	117
Mortgage purchases	993	685	490
Mortgage portfolio at end of year	1,198	1,819	2,191

[4] Includes above interfund transfers.

[5] Excludes $46 million of aviation gasoline taxes which, under proposed legislation, would be retained in the general revenues.

Social security insurance programs for retirement, death, or disability.—Insurance against these risks is provided by the first four trust funds listed in the above table, of which the first two provide nationwide social security protection and the last two cover employees of the railroad industry and most employees of the Federal Government. These payments are made primarily from moneys derived from payroll contributions of employees, employers, and those who are self-employed. These receipts are invested in securities of the Federal Government and earn interest.

The following table indicates the number of individuals receiving monthly benefits at the end of each of the fiscal years 1957 through 1959.

[In thousands]

	Federal old-age and survivors insurance	*Federal disability insurance*	*Railroad retirement account*	*Civil service and foreign service*
Retired individuals:				
1957 actual	7,551	---	365	205
1958 estimate	8,480	---	383	225
1959 estimate	9,178	---	399	252
Disabled individuals:				
1957 actual	10	---	90	74
1958 estimate	35	190	91	81
1959 estimate	40	250	93	89
Survivors: [1]				
1957 actual	2,781	---	224	94
1958 estimate	2,967	---	233	108
1959 estimate	3,154	---	242	124

[1] Includes children of retired workers under old-age and survivors insurance.

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While expenditures in 1959 from the Federal old-age and survivors insurance trust fund are expected to be greater than receipts, this is a temporary situation. Beginning January 1, 1960, the combined contributions by employers and employees are scheduled, under present law, to increase from 4½% to 5½% of wages. As a result, receipts will again exceed outlays.

Unemployment trust fund.—This fund invests the deposits made (and is drawn upon) by the States and the Railroad Retirement Board. These deposits represent payroll taxes paid by employers. The States draw upon the fund to make weekly payments to covered workers during periods of unemployment. The railroad system provides weekly payments for workers who are unemployed or who are prevented from working because of sickness. (Former employees of the Federal Government and veterans who are entitled to unemployment compensation are not paid out of this fund. Although the States process these cases and make the payments to those eligible, the Federal Government makes regular grants to the States to finance such payments. These grants are budget expenditures.)

Veterans' life insurance.—The receipts of these trust funds come from premiums, interest on investments, and payments (budget expenditures) by the Federal Government for specified risks. They provide life insurance primarily for veterans of the two World Wars. The amount of insurance in force has been declining, since new policies were not issued after 1951. The bulk of the payments in 1959 will consist of $281 million in dividends to about 4.9 million policyholders and $332 million in payments to survivors of deceased veterans.

Highway trust fund.—This fund uses receipts from certain excise taxes on motor fuels, tires, and vehicles to finance expenditures for Federal-aid highways. See highway trust fund, Department of Commerce chapter, part II, pages 414–422, for supporting detail.

Federal National Mortgage Association, secondary market operations.—In the secondary market part of its program, the Association buys and sells federally insured or guaranteed mortgages at prices prevailing in the market. In accordance with statutory objectives, these operations are self-supporting. During 1959, the Association expects to buy 42,000 mortgages and sell 4,200 mortgages. Most of the funds required will be obtained from private sources by the sale of the Association's debentures and by the purchases of common stock which are required of all mortgage sellers. In addition, the Federal Government is expected to purchase $10 million in preferred stock and make short-term loans to facilitate the financing operations of the Association. By the end of the fiscal year, private investors will own about one-fourth of the Association's stock; the ultimate goal is complete private ownership.

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

[In millions]

	1948	1949	1950	1951	1952	1953	1954	1955	1956
Major national security	$5	$22	$51	$34	$144	$126	$146	$164	$143
International affairs and finance	74	49	46	−6	97	9	3	7	1
Veterans' services and benefits	396	416	3,125	695	1,095	669	779	628	606
Labor and welfare	1,886	2,490	3,370	3,058	3,816	4,594	6,079	7,476	8,067
Agriculture and agricultural resources	1	30	24	12	17	22	11	22	29
Natural resources	15	17	20	15	15	15	16	20	23
Commerce and housing	−2	2	−6	−23	−3	1	(*)	−86	118
General government	370	200	188	222	208	228	286	258	216
Interest			(*)	(*)	(*)	(*)	(*)	(*)	(*)
Adjustment to daily Treasury statement basis	915	165	68	190	88	95			
Deposit funds, net [1]	73	463	77	−544	−160	−471	−115	57	229
Total	3,734	3,852	6,964	3,654	5,317	5,288	7,204	8,546	9,436

[1] Excludes deposit funds of Government-sponsored enterprises. These have been adjusted for consistency with present treatment and allocated to the appropriate function above.

*Less than one-half million.

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TABLE 10

TRUST RECEIPTS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Legislative branch:							
Library of Congress:							
Gift and trust fund income accounts:							
Cataloging project	500	$7,705	$7,500	$7,800	$10,211	$8,385	$7,995
Gift fund	200	486,528	535,000	460,000	487,873	521,431	476,955
Income from investment account	200	18,240	16,200	15,500	26,632	21,433	18,490
Payment of interest on bequest of Gertrude M. Hubbard	650	800	800	800	2,038	1,641	1,370
Payment of interest on permanent loan	650	144,595	145,925	146,825	135,193	139,619	142,588
Service fees	200	490,660	500,000	500,000	414,441	459,344	480,607
Principal accounts, permanent loan	200	307,152					
Deposit funds, net					−444,290	−313,475	−338,800
Total, legislative branch		1,455,680	1,205,425	1,130,925	632,098	838,378	789,205
The judiciary:							
Judicial survivors annuity fund:							
Contributions	600	1,007,753	532,000	499,000	198,819	270,000	290,000
Interest on investments	600		30,000	38,000			
Deposit funds, net					26,509	−700	−200
Total, the judiciary		1,007,753	562,000	537,000	225,328	269,300	289,800
Executive Office of the President:							
Deposit funds, net					−158,152	140,000	140,000
Funds appropriated to the President:							
Mutual security:							
Advances for economic assistance	150				247,691	1,608	
Advances, Mutual Security Act	050	239,688,775	228,026,665	126,665,990	91,003,111	250,000,000	254,300,000
Philippine assistance	150	365,893	600,000		757,239	1,308,868	1,200,000
Technical assistance, U. S. dollars advanced from foreign governments	150	1,415,904	1,400,000		457,391	1,303,445	1,200,000
Deposit funds, net					−410,035	−610,000	−600,000
Total, funds appropriated to the President		241,470,572	230,026,665	126,665,990	92,055,397	252,003,921	256,100,000
Independent offices:							
Advisory Committee on Weather Control: Deposit funds, net					801	2,266	
American Battle Monuments Commission:							
Contributed flower fund	100	1,706	1,500	1,500	2,039	1,500	1,500
Deposit funds, net					7,183	6,500	6,500
Total, American Battle Monuments Commission		1,706	1,500	1,500	9,222	8,000	8,000
Atomic Energy Commission: Deposit funds, net					68,002		
Civil Service Commission:							
Civil service retirement and disability fund:							
Interest and profit on investment	200	220,793,979	195,000,000	214,000,000	588,073,788	709,058,584	802,000,000
Deductions from employees' salaries, etc		640,522,472	683,580,215	660,000,000			
Payments from other funds:							
Appropriation specifically for payment to the fund		525,000,000					
District of Columbia		2,655,748	4,586,529	4,376,983			
Appropriations and funds available for payment of employees		2,976,914	595,833,256	644,623,017			
Total, civil service retirement and disability fund		1,391,949,113	1,479,000,000	1,523,000,000	588,073,788	709,058,584	802,000,000
Employees' life insurance fund	200				−4,601,850	−31,739,407	−39,100,000
Deposit funds, net					−113,525	50,000	50,000
Total, Civil Service Commission		1,391,949,113	1,479,000,000	1,523,000,000	583,358,413	677,369,177	762,950,000
Commission on Government Security: Deposit funds, net					−18,509		
Commission on Increased Industrial Use of Agricultural Products: Deposit funds, net					−9,365		
Commission on Intergovernmental Relations: Deposit funds, net					38		
District of Columbia Auditorium Commission: Deposit funds, net					−474		
Farm Credit Administration:							
Operating fund, Federal intermediate credit banks	350				126,994,927	90,718,800	−194,966,200
Deposit funds, net					−4,025,240		
Total, Farm Credit Administration					122,969,687	90,718,800	−194,966,200

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Independent offices—Continued							
Federal Civil Defense Administration: Deposit funds, net					−$46,752	−$55,000	−$61,000
Federal Coal Mine Safety Board of Review: Deposit funds, net					218	200	200
Federal Communications Commission: Deposit funds, net					8,111	8,500	8,500
Federal Deposit Insurance Corporation: Deposit funds, net					−767,677	330,000	
Federal Home Loan Bank Board: Deposit funds, net					−3,029,409	−2,622,147	−3,015,469
Federal Mediation and Conciliation Service: Deposit funds, net					618	1,000	1,000
Federal Power Commission: Deposit funds, net					−11,140	52,500	−15,600
Federal Trade Commission: Deposit funds, net					−40,198		
Foreign Claims Settlement Commission:							
War claims fund	600	[1] −$17,500,000	$5,000,000		10,797,474	7,265,000	122,500
Deposit funds, net					−1,529	−1,000	−850
Total, Foreign Claims Settlement Commission		[1] −17,500,000	5,000,000		10,795,945	7,264,000	121,650
General Accounting Office:							
Proceeds from estates of American citizens who die abroad	600	18,307	1,000	$1,000	16,600	3,000	3,000
Deposit funds, net					−99,401	100,658	105,000
Total, General Accounting Office		18,307	1,000	1,000	−82,801	103,658	108,000
Historical and memorial commissions:							
Alexander Hamilton Bicentennial Commission, donations	600	38,100	43,000		516	57,125	
Deposit funds, net:							
Alexander Hamilton Bicentennial Commission					−319		
Boston National Historic Sites Commission					−42	523	
Corregidor-Bataan Memorial Commission					−432		
Jamestown-Williamsburg-Yorktown Celebration Commission					−411	1,542	
John Marshall Bicentennial Celebration Commission					56		
Theodore Roosevelt Centennial Commission					−1,371	1,878	
Woodrow Wilson Centennial Celebration Commission					−480	923	
Total, historical and memorial commissions		38,100	43,000		−2,483	61,991	
Indian Claims Commission: Deposit funds, net					−985		
Interstate Commerce Commission: Deposit funds, net					−61,534		
National Advisory Committee for Aeronautics: Deposit funds, net					−157,506	−10,000	−230,000
National Capital Housing Authority:							
Operation and maintenance, properties aided by Public Housing Administration	500				−446,087	−263,000	−100,000
Deposit funds, net					−4,187	−2,150	−4,500
Total, National Capital Housing Authority					−450,274	−265,150	−104,500
National Capital Planning Commission:							
Contributed fund	600	607,000	484,000		320,857	716,954	250,000
Deposit funds, net					−1,107		
Total, National Capital Planning Commission		607,000	484,000		319,750	716,954	250,000
National Labor Relations Board: Deposit funds, net					−14,102	−45,000	−44,500
National Capital Sesquicentennial Commission: Gift fund	600	[1] −1,117					
National Mediation Board: Deposit funds, net					−7,436	8,000	8,000
National Science Foundation:							
Donations	200	1,131	1,000	1,000	134	500	500
Deposit funds, net					−28,523	−15,000	−15,000
Total, National Science Foundation		1,131	1,000	1,000	−28,389	−14,500	−14,500
National Security Training Commission: Deposit funds, net					350	841	
President's Advisory Commission on Presidential Office Space: Deposit funds, net					−1,123		
Railroad Retirement Board:							
Railroad retirement account:							
Interest and profit on investments	200	106,656,703	109,600,000	114,000,000	682,032,476	716,600,000	754,400,000
Taxes		615,919,876	620,000,000	625,000,000			
Total, railroad retirement account		722,576,579	729,600,000	739,000,000	682,032,476	716,600,000	754,400,000
Railroad unemployment insurance administration fund	200	6,759,778	8,116,931	8,155,673	7,050,204	8,000,000	8,100,000
Deposit funds, net					−48,593	37,417	
Total, Railroad Retirement Board		729,336,357	737,716,931	747,155,673	689,034,087	724,637,417	762,500,000

[1] Adjustment of prior year receipts.

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Independent offices—Continued							
Renegotiation Board: Deposit funds, net					−$134,904	−$120,000	−$120,000
Securities and Exchange Commission: Deposit funds, net					−968,232	968,232	
Selective Service System: Deposit funds, net					−45,340	50,000	50,000
Small Business Administration: Deposit funds, net					−65,868	−81,000	
Smithsonian Institution:							
Canal Zone biological area fund	200	$9,898	$5,500	$5,000	7,004	6,000	6,000
Deposit funds, net					−1,133,152	−258,000	−189,906
Total, Smithsonian Institution		9,898	5,500	5,000	−1,126,148	−252,000	−183,906
Subversive Activities Control Board: Deposit funds, net					−2,799	−1,636	−1,000
Tariff Commission: Deposit funds, net					−8,070	−5,386	−4,895
Tax Court of the United States: Deposit funds, net					−2,358	753	−570
United States Information Agency:							
United States dollars advanced from foreign governments	150	58,881	50,000	50,000	54,105	54,776	50,000
Deposit funds, net					−232,093	−224,000	−230,000
Total, United States Information Agency		58,881	50,000	50,000	−177,988	−169,224	−180,000
Veterans Administration:							
Adjusted-service certificate fund: Interest	100	181,117			262,743	275,171	275,000
General post funds, national homes:							
Donations	100	1,341,472	1,300,000	1,300,000	1,804,313	2,700,000	2,000,000
Interest on investments	100	75,587	38,335	32,000			
United States Government life insurance fund:							
Premiums and other receipts	100	69,262,183	68,151,186	66,059,000	86,297,703	91,047,020	119,949,000
Interest on investments	100						
National service life insurance fund:							
Premium and other receipts	100	607,517,483	631,061,408	640,413,791	514,994,836	556,169,466	562,076,500
Interest on investments	100						
Payments from general and special funds	100						
Deposit funds, net					−3,828,746	−3,500,000	−3,500,000
Total, Veterans Administration		678,377,842	700,550,929	707,804,791	599,530,849	646,691,657	680,800,500
General Services Administration:							
Personal property activities: Advances for supplies and expenses, United Nations Korean Reconstruction Agency	150				131,268		
Records activities:							
Franklin D. Roosevelt Library fund	200				16,177	14,142	1,000
National Archives trust fund	600				−8,122	−12,339	−25,500
National Archives gift fund	600	50,361	55,000	55,000	30,555	48,000	55,000
Deposit funds, net					−264,434	−38,000	−155,000
Total, General Services Administration		50,361	55,000	55,000	−94,556	11,803	−124,500
Housing and Home Finance Agency:							
Federal National Mortgage Association, secondary market operations	500				970,657,332	580,153,981	335,000,000
Deposit funds, net					−152,124		
Total, Housing and Home Finance Agency					970,505,208	580,153,981	[1] 335,000,000
Department of Agriculture:							
Agricultural Research Service:							
Expenses, feed and attendants for animals in quarantine	350	22,224	21,000	21,000	28,815	21,000	21,000
Expenses and refunds, inspection and grading of farm products	350	529,432	280,700	280,700	1,044,476	350,000	300,000
Miscellaneous contributed funds	350	200,725	152,670	210,845	196,212	200,000	200,000
Extension Service: Miscellaneous contributed funds	350	2,816	2,010	2,010	3,724	2,053	2,010
Soil Conservation Service:							
Technical services and other assistance, agricultural conservation program	350	7,334,086	7,500,000	7,500,000	7,121,601	7,450,000	7,450,000
Miscellaneous contributed funds	350	234,032	300,000	300,000	320,454	249,000	322,000
Agricultural Marketing Service:							
Expenses and refunds, inspection and grading of farm products	350	17,373,962	19,330,000	15,830,000	16,730,444	18,822,000	16,950,000
Miscellaneous contributed funds	350	102,655	128,900	116,150	75,977	125,009	110,000
Commodity Stabilization Service: Miscellaneous contributed funds	350	12,626	28,677	15,000	63,909	40,000	21,348
Farmers' Home Administration: State rural rehabilitation funds	350				−61,446	338,000	546,000
Office of Information: Miscellaneous contributed funds	350	273			5,467	2,071	
Forest Service:							
Technical services and other services, agricultural conservation program	400	9,100	2,794	10,000	1,518	7,750	10,000
Cooperative work	400	10,196,198	12,000,000	13,000,000	11,945,062	12,000,000	12,750,000
Miscellaneous contributed funds	400				30,804	25,000	5,000
Deposit funds, net					−412,837	1,532,520	1,351,000
Total, Department of Agriculture		36,018,129	39,746,751	37,285,705	37,094,180	41,164,394	40,038,358

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Department of Commerce:							
Bureau of Census: Special statistical work	200	$2,382,747	$1,484,266	$1,732,000	$2,133,063	$1,852,972	$1,775,000
Civil Aeronautics Administration: Gifts and donations	500	324,739	110,631	100,000	126,113	111,376	107,145
Business and Defense Services Administration:							
Expenses, transcripts of studies, tables, and other records	500	223,412	200,000	200,000	158,183	205,249	200,000
Special statistical work	500	13,281	10,000	10,000	11,362	12,713	13,000
Bureau of Foreign Commerce: Special statistical work	200				769		
Maritime activities: United States Merchant Marine Academy, Kings Point, N. Y., donations for chapel and library	500	3,117	175,000	25,000			
Bureau of Public Roads:							
Highway trust fund:							
Taxes	500	1,478,925,050	2,120,000,000	2,210,000,000			
Interest	500	3,094,003	18,000,000	16,000,000			
Federal-aid highways	500				965,506,734	1,774,493,266	2,350,000,000
Refund and labor standards	500				176,830	95,200,000	110,200,000
Forest highways	500						30,000,000
Public lands highways	500						2,692,000
Proposed for later transmission	500			−46,000,000			
Cooperative work, forest highways	500	255,302	572,186	245,000	246,155	592,600	345,000
Equipment, supplies, etc., for cooperating countries	150	2,579,917	3,500,000	3,000,000	1,429,507	3,675,722	3,500,000
Technical assistance, United States dollars advanced from foreign countries	150	922,934	1,500,000	1,500,000	1,131,299	1,753,322	1,500,000
Contributed funds, highways for Alaska	500	193,259	1,314,160	1,350,000		1,507,419	1,350,000
Funds for improvement of roads, bridges, and trails, Alaska	500	474,309			754,040	1,190	
National Bureau of Standards:							
Gifts and bequests	200	136,766	125,000	150,000	139,162	196,552	205,000
Advances and reimbursements	200				880	245	
Weather Bureau: Special statistical work	600	32,540	24,649		31,914	24,500	11,715
Deposit funds, net					−5,303	25,000	50,000
Total, Department of Commerce		1,489,561,376	2,147,015,892	2,188,312,000	971,840,708	1,879,652,126	2,501,948,860
Department of Defense—Military Functions:							
Department of the Army:							
Advances for supplies and expenses, United Nations Korean Reconstruction Agency	050				385,115	387,634	
Bequest of Maj. Gen. Fred C. Ainsworth, library, Walter Reed Hospital	050	428	285	285	11	300	300
Kermit Roosevelt fund	050	8,058			2,072	3,075	3,000
National Guard armory construction, State-contributed funds	050	101,336			102,185	18,137	
Transportation, International Refugee Organization	050				−37		
General gift fund	050	48,687	5,500	5,500	27,060	5,900	5,500
Department of the Navy:							
Naval reservation, Olongapo civic fund, taxes	050	563,012	704,000	644,000	560,105	687,147	651,854
U. S. Naval Academy general gift fund:							
Contributions	050	5,275	5,000	5,000	14,423	2,000	2,000
Income	050	2,608	2,000	2,000			
U. S. Naval Academy museum fund:							
Contributions	050	3,613	1,000	1,000	14	600	200
Income	050	574	600	600			
U. S. Department of the Navy general gift fund	050	50	2,000	1,000		250	1,000
Office of Naval Records and library fund:							
Contributions	050	12,688	6,070	6,070			
Interest	050	1,430	1,430	1,430			
Department of the Air Force: General gift fund:							
Donations	050		1,500			1,500	
Royalties	050		400	300		400	300
Deposit funds, net					81,531,006	−40,772,865	47,854,345
Total, Department of Defense—Military Functions		747,759	729,785	667,185	82,621,954	−39,665,922	48,518,499
Department of Defense—Civil Functions:							
Department of the Army:							
Rivers and harbors and flood control:							
Rivers and harbors advance fund	400	135,700			1,703,595	198,006	
Rivers and harbors contributed fund	400	11,045,798	8,960,721	8,865,200	14,131,330	17,000,000	13,000,000
Advances and reimbursements, Army, Engineers, civil	400				241	2,485	
Administration; Ryukyu Islands: Proceeds of remittances to and exports from Ryukyu Islands, Army	150				252	−1,557	

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Department of Defense—Civil Functions—Continued							
Department of the Army—Continued							
United States Soldiers' Home:							
Soldiers' Home permanent fund:							
Stoppages, fines, and forfeitures	100	$8,448,188	$7,500,000	$6,500,000			
Estates of deceased soldiers and airmen	100	292,656	200,000	200,000			
Withheld pay	100	1,631,649	1,559,880	1,559,800			
Interest credited	100	2,161,386	2,300,000	2,600,000			
All other	100	665,611	50,000	50,000			
Maintenance and operation	100				$4,892,375	$5,612,308	$6,451,630
Capital outlay	100						
Payment of claims	100				8,104	8,000	8,000
United States Soldiers' Home revolving fund	100				−8,598	−10,000	−8,000
Deposit funds, net					−2,011,890	3,215,000	215,000
Total, Department of Defense—Civil Functions		24,380,988	20,570,601	19,775,000	18,715,409	26,024,242	19,666,630
Department of Health, Education, and Welfare:							
Freedmen's Hospital: Conditional gift fund	200	865			372	1,527	
Public Health Service:							
Patients' benefit fund	200	23,565	20,000	20,000	22,490	20,000	20,000
Conditional gift fund:							
Contributions	200	43,999	18,100	16,100	45,972	30,000	20,000
Interest	200	1,982	1,900	1,900			
Unconditional gift fund:							
Contributions	200	14,503	12,206	13,556	1,375	85,000	7,000
Interest	200	3,142	2,794	2,444			
Saint Elizabeths Hospital:							
Patients' benefit fund	200	338	300	300	510	500	500
Conditional gift fund	200	6,101	8		150	9,159	
Office of the Secretary: Advances and reimbursements	200				−50	97	
Office of Education: Donations, the White House Conference on Education	200				80		
Deposit funds, net					−2,402,159	−2,400,000	−2,400,000
Total, Department of Health, Education, and Welfare		94,495	55,308	54,300	−2,331,260	−2,253,717	−2,352,500
Department of the Interior:							
Bonneville Power Administration: Construction of electric transmission lines and substations, contributions, Bonneville power project	400	666,816	1,000,000		412,600	900,000	600,000
Bureau of Land Management:							
Contributed funds	400	271,192	300,000	300,000	218,957	300,000	300,000
Expenses, public survey work	400	31,333	25,000	25,000	25,357	25,000	25,000
Trustee funds, Alaska townsites	400	45,718	25,000	25,000	30,931	25,000	25,000
Bureau of Indian Affairs:							
Indian moneys, proceeds of labor, agencies, schools, etc	600	3,815,719	3,150,000	3,110,000	3,573,492	3,136,000	3,150,000
Indian tribal funds	600	104,271,795	70,000,000	70,000,000	50,116,792	73,000,000	54,000,000
Licenses under Federal Power Act from Indian reservations	600	179,846	180,000	180,000			
Bureau of Reclamation: Reclamation trust funds	400	738,565	1,944,632	34,000	666,056	2,150,000	170,000
Geological Survey: Advances, authorized services	400	918,401	1,000,000	1,000,000	912,331	1,000,000	1,000,000
Bureau of Mines: Contributed funds	400	893,401	500,000	500,000	925,094	625,000	625,000
National Park Service:							
National Park Service, donations	400	836,222	550,000	1,050,000	849,910	720,300	1,058,900
National Park trust fund:							
Contributions	400	8,173	2,500	2,500	845	2,500	2,500
Interest	400	477	493	493			
Preservation, birthplace of Abraham Lincoln, interest	400	1,585	1,585	1,585	221	250	250
Fish and Wildlife Service:							
Bureau of Sports Fisheries and Wildlife, contributed fund	400	189,926	98,728	99,330	96,912	135,000	115,000
Bureau of Commercial Fisheries, contributed fund	400	646,576	836,350	796,350	595,313	800,000	800,000
Deposit funds, net					−76,888,336	−13,000,000	−14,000,000
Total, Department of the Interior		113,515,745	79,614,288	77,124,258	−18,463,525	69,819,050	47,871,650
Department of Justice							
Federal Prison System: Commissary funds	200				−33,372	9,000	−50,000
Office of Alien Property:							
Alien property fund, World War I	600				99,976		
Alien property fund, World War II	600				−8,363,373	−76,823,789	−24,626,000
International Claims Settlement Act, title II fund	600				5,410,603	8,336,488	720,000
Alien property fund, Philippines, World War II	150				−52,660	1,493,077	1,564,267
Deposit funds, net					−168,299	−165,000	−165,000
Total, Department of Justice					−3,107,125	−67,150,224	−22,556,733

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Department of Labor:							
Bureau of Employees' Compensation:							
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act as amended:							
Contributions	600	$14,000	$14,000	$14,000	$31,183	$62,400	$62,400
Interest	600	19,485	20,571	20,000			
Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia:							
Contributions	600	4,000	4,000	4,000	4,700	5,000	5,000
Interest	600	3,002	3,000	3,000			
Advances and reimbursements	600				−2,298	−1,665	−117
Bureau of Labor Statistics: Special statistical work	200	34,300	30,600		113,208	40,830	8,050
Deposit funds, net					−87,724	187,000	−150,000
Total, Department of Labor		74,787	72,171	41,000	59,069	293,565	−74,667
Post Office Department:							
Deposit funds, net					136,544,136		
Department of State:							
Payment of claims, Special Claims Commission, under art. 2 of convention, Apr. 24, 1934, between the United States and Mexico	150				50		
Foreign Service retirement and disability fund:							
General fund:							
Employers' contributions	200	1,304,000	1,667,000	2,025,000	2,476,076	2,700,000	2,880,000
Interest on investments	200	849,069	976,000	1,061,000			
Employees' contributions	200	3,238,569	1,995,000	1,868,000			
Total, Foreign Service retirement and disability fund		5,391,578	4,638,000	4,954,000	2,476,076	2,700,000	2,880,000
Educational exchange:							
Education of Iranian students in the United States	150				6,792	9,914	
U. S. dollars advanced from foreign governments	150	396,602	300,000	300,000	465,556	430,000	280,000
Deposit funds, net					258,035	250,000	250,000
Total, Department of State		5,788,180	4,938,000	5,254,000	3,206,509	3,389,914	3,410,000
Treasury Department:							
Office of the Secretary:							
Federal disability insurance trust fund:							
Taxes	200	333,276,575	863,000,000	888,000,000	1,304,992	187,184,179	243,586,206
Deposits by States	200	3,922,679	33,000,000	35,000,000			
Interest on investments	200	1,363,467	15,496,091	25,812,500			
Total, Federal disability insurance trust fund		338,562,721	911,496,091	948,812,500	1,304,992	187,184,179	243,586,206
Federal old-age and survivors insurance trust fund:							
Taxes	200	6,301,190,673	6,900,000,000	7,100,000,000	6,722,984,424	8,112,378,088	8,745,350,454
Deposits by States	200	296,848,170	300,000,000	315,000,000			
Interest on investments	200	555,338,179	536,848,994	517,787,424			
Interest payments by railroad retirement board	200	5,220,000	1,588,000				
Sale of wastepaper	200	156,544	150,000	150,000			
Total, Federal old-age and survivors insurance trust fund		7,158,753,566	7,738,586,994	7,932,937,424	6,722,984,424	8,112,378,088	8,745,350,454
Pershing Hall memorial fund	600	4,978	4,978	4,978	7,466	4,978	4,978
Unemployment trust fund:							
Deposits by States (net)	200	1,541,656,717	1,600,000,000	1,620,000,000	1,643,897,769	1,677,884,400	1,768,226,400
Taxes	200	71,098,608	100,000,000	120,000,000			
Railroad unemployment insurance administration fund	200	3,248,473	1,803,069	1,844,327			
Interest on investments	200	224,849,178	237,690,530	238,217,813			
General fund: "Payment to unemployment trust fund," Treasury Department	200	71,195,220	48,717,000	25,150,000			
Total, unemployment trust fund		1,912,048,196	1,988,210,599	2,005,212,140	1,643,897,769	1,677,884,400	1,768,226,400
Bureau of Accounts:							
Deposits, Bulgarian claims fund	600	11,953	1,500,000	1,500,000		350,000	2,661,953
Deposits, Hungarian claims fund	600	62,481	1,400,000	1,500,000		1,000,000	1,962,481
Deposits, Rumanian claims fund	600	14,594,699	5,000,000	4,000,000		500,000	23,957,259
Deposits, Italian claims fund	600					1,001,758	
Deposits, Soviet claims fund	600				764,139	1,400,000	1,400,000
Deposits of collections, Mexican claims fund	600				21,440	17,000	15,000
Deposits of unclaimed moneys of individuals whose whereabouts are known	600	2,071			105		
National defense conditional gift fund	050	711,100			826,000	34,600	

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Treasury Department—Continued							
Bureau of Accounts—Continued							
Losses in melting gold	600	$6,362	$5,000	$5,000	$140	$1,000	$1,000
Panama claims fund	600				194	534	
Payment of pre-1934 bonds of the Government of the Philippines	600	145,971	138,000	134,000	319,704	1,050,667	212,091
Payment of unclaimed moneys	600	327,766	330,000	350,000	145,207	100,000	100,000
Yugoslav claims fund	600				94,516	2,107,969	
Bureau of Customs:							
Refunds, transfers, and expenses of operation, Virgin Islands	600	356,510	375,000	375,000	343,473	350,000	350,000
Refunds, transfers, and expenses of operation, Puerto Rico	600	6,647,770	6,900,000	6,900,000	6,535,495	690,000	690,000
Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods	600	220,419	225,000	225,000	245,700	250,000	250,000
Internal Revenue Service: Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands	600	142,749	131,906	110,057	118,047	138,345	131,883
Coast Guard:							
Commuted ration mess fund	500				361,536		
General gift fund	500	6,968	4,225	4,225	451	14,792	4,225
Deposit funds, net					99,232,166	18,600,000	18,600,000
Total, Treasury Department		9,432,606,280	10,654,307,793	10,902,070,324	8,477,202,964	10,005,058,310	10,807,503,930
District of Columbia:							
Revenue	600	216,566,352	249,027,600	260,157,500	197,396,118	301,105,110	319,953,187
Payment from general fund, Federal payment	600	22,558,650	22,504,450	22,229,000			
Deposit funds, net					−1,896,994	−296,983	1,500
Total, District of Columbia		239,125,002	271,532,050	282,386,500	195,499,124	300,808,127	319,954,687
Total trust fund receipts and expenditures		14,368,794,325	16,373,285,589	16,619,378,151	12,960,881,693	15,195,910,151	16,363,986,929
Deduct trust fund expenditures		12,960,881,693	15,195,910,151	16,363,986,929			
Net accumulation in trust funds		1,407,912,632	1,177,375,438	255,391,222			
Net decrease (−) in cash balances due to trust fund debt and investment transactions (from special analysis J)		−1,073,584,244	−875,697,673	−753,698,372			
Increase or decrease (−) in cash balances resulting from trust fund operations		334,328,388	301,677,765	−498,307,150			
RECAPITULATION							
Trust funds:							
Existing legislation		$14,368,794,325	$16,373,285,589	$16,665,378,151	$12,743,419,973	$15,234,876,240	$16,320,538,174
Proposed legislation				−46,000,000			
Deposit funds (net):							
Purchase of U. S. securities (quasi-governmental enterprises)					−85,651,000		
Sales and redemptions of obligations in the market (quasi-governmental enterprises)					38,561,149	−38,966,089	43,448,755
Other					264,551,571		
Total trust fund receipts and expenditures		14,368,794,325	16,373,285,589	16,619,378,151	12,960,881,693	15,195,910,151	16,363,986,929

SUMMARY OF MAJOR TRUST FUND BALANCES AVAILABLE AT START OF YEAR

[Including U. S. securities]

	1957	1958	1959	1960
Federal disability insurance trust fund		$337,257,729	$1,061,569,641	$1,776,795,935
Federal employees' retirement funds	$6,728,413,132	7,535,203,959	8,307,083,375	9,030,157,375
Federal old-age and survivors insurance trust fund	22,593,108,762	23,028,877,904	22,554,427,949	21,539,720,331
Highway trust funds		516,335,489	784,638,223	471,750,223
Railroad retirement account	3,662,251,452	3,702,795,555	3,825.795,555	4,020,395,555
Unemployment trust fund	8,789,773,917	9,057,924,344	9,368,250,543	9,605,236,283
Veterans' life insurance funds	6,709,450,677	6,784,937,804	6,836,933,912	6,861,381,203
Total	48,482,997,940	50,963,332,784	52,738,699,198	53,351,436,905

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TABLE 10—Continued

EXPENDITURES AND APPLICABLE RECEIPTS OF TRUST REVOLVING FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			NET TRUST EXPENDITURES		
		1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
INDEPENDENT OFFICES										
Civil Service Commission:										
Employees' life insurance fund	200	$102,083	$73,491	$67,140	$106,685	$105,230	$106,240	−$4,602	−$31,739	−$39,100
Farm Credit Administration:										
Operating fund, Federal intermediate credit banks	350	1,232,968	2,412,734	1,196,838	1,105,973	2,322,015	1,391,804	126,995	90,719	−194,966
National Capital Housing Authority:										
Operation and maintenance, properties aided by Public Housing Administration	500	17,596	50,049	47,671	18,042	50,312	47,771	−446	−263	−100
GENERAL SERVICES ADMINISTRATION										
Records activities:										
Franklin D. Roosevelt Library fund	200	48	47	35	32	33	34	16	14	1
National Archives trust fund	600	48	66	78	56	78	104	−8	−12	−26
HOUSING AND HOME FINANCE AGENCY										
Federal National Mortgage Association:										
Secondary market operations fund	500	1,991,959	1,354,530	927,280	1,021,302	774,376	592,280	970,657	580,154	335,000
DEPARTMENT OF AGRICULTURE										
Farmers Home Administration:										
State rural rehabilitation funds	350	12,858	9,654	10,054	12,919	9,316	9,508	−61	338	546
DEPARTMENT OF DEFENSE										
Department of the Army—Civil Functions:										
United States Soldiers' Home revolving fund	100	78	80	86	87	90	94	−9	−10	−8
DEPARTMENT OF JUSTICE										
Federal Prison System:										
Commissary funds, Federal prisons	200	1,608	1,745	1,700	1,641	1,736	1,750	−33	9	−50
Office of Alien Property:										
Alien property fund, World War I	600	806			706			100		
Alien property fund, World War II	600	34,524	26,202	17,400	42,887	103,026	42,026	−8,363	−76,824	−24,626
Alien property fund, Philippines, World War II	150	368	2,020	2,410	421	527	846	−53	1,493	1,564
International Claims Settlement Act, title II fund	600	15,464	10,060	1,230	10,054	1,724	510	5,410	8,336	720
TREASURY DEPARTMENT										
Coast Guard:										
Commuted ration mess fund	500	493,240			131,704			361,536		

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LEGISLATIVE BRANCH

LIBRARY OF CONGRESS

Library of Congress Gift and Trust Fund Income Accounts

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition of library materials	$78,168	$98,510	$98,500
2. Reader and reference service	766,922	872,286	872,000
3. Organization of the collections	246,069	308,335	308,000
4. Information service on copyright materials	9,662	7,643	7,500
Total obligations	1,100,821	1,286,774	1,286,000
Financing:			
Unobligated balance brought forward	612,383	661,307	579,958
Receipts:			
Library of Congress gift fund	486,528	535,000	460,000
Income from investment account	18,240	16,200	15,500
Interest on bequest of Gertrude M. Hubbard	800	800	800
Interest on permanent loan	144,595	145,925	146,825
Service fees	490,660	500,000	500,000
Cataloging project, Copyright Office	7,705	7,500	7,800
Recovery of prior year obligations	1,217		
Unobligated balance carried forward	−661,307	−579,958	−424,883
Total financing	1,100,821	1,286,774	1,286,000

This schedule covers (1) funds received as gifts for immediate expenditure and receipts from revolving funds the original capital for which was received as gifts, (2) income from investments held by the Library of Congress Trust Fund Board, and (3) interest at the rate of 4% per annum paid by the United States Treasury on the principal funds deposited therewith as described under "Library of Congress trust fund, principal accounts" (2 U. S. C. 156–160; 31 U. S. C. 725s; 37 Stat. 319).

1. *Acquisition of library materials.*—During 1957, this included the procurement of manuscripts, Hispanic materials, fine prints, books and other library materials from certain foreign areas for the Library of Congress, and the acquisition and distribution of Government documents for the Library of Congress and cooperating libraries.

2. *Reader and reference services.*—These services during 1957 included the preparation of bibliographies, indexes, digests, and check lists; lectures; surveys of bibliographic services; poetry readings; musical concerts; furtherance of musical research, composition, performance and appreciation; and providing photostats, photographs, microfilm, and other forms of photoduplication, and sound recordings of folksongs and poetry to other Government agencies, libraries, and other institutions, and to the general public.

3. *Organization of the collections.*—During 1957, the preparation of the 16th edition of Dewey Classification was continued, and lists of East European accessions were prepared and distributed.

4. *Information service on copyright materials.*—Depositors were supplied with preliminary information relating to copyright materials in selected subject fields.

Obligations by major source of funds for 1957 and estimated for 1958 and 1959 are as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Library of Congress gift fund	$495,138	$592,672	$600,000
Service fees	419,072	497,708	515,500
Cataloging project, Copyright Office	9,662	7,643	7,500
Income from investment account	26,636	16,585	15,000
Interest on permanent loan account	148,275	169,166	146,000
Interest on bequest of Gertrude M. Hubbard	2,038	3,000	2,000
Total obligations	1,100,821	1,286,774	1,286,000

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Number of employees at end of year	167	179	179
01	Personal services	$769,672	$826,836	$826,835
02	Travel	7,785	16,610	16,600
03	Transportation of things	737	965	965
04	Communication services	8,659	12,314	12,310
05	Rents and utility services	304	400	400
06	Printing and reproduction	7,975	19,350	19,350
07	Other contractural services	102,223	111,668	111,000
08	Supplies and materials	118,120	131,318	131,315
09	Equipment	51,631	64,071	64,000
11	Grants, subsidies, and contributions:			
	Grants	18,000	33,350	33,350
	Contributions		46,413	46,400
13	Refunds, awards, and indemnities	15,715	23,479	23,475
	Total obligations	1,100,821	1,286,774	1,286,000

Library of Congress Trust Fund Principal Accounts

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$3,443,467	$3,660,619	$3,690,619
U. S. securities (par)	45,800	135,800	105,800
Receipts from contributions	307,152		
Unobligated balance carried forward:			
Cash	−3,660,619	−3,690,619	−3,690,619
U. S. securities (par)	−135,800	−105,800	−105,800
Total financing			

This schedule covers two principal accounts—permanent loan and bequest of Gertrude M. Hubbard.

Both funds represent gifts or bequests in cash, which have been deposited with the Treasurer of the United States as permanent loans to the United States, the interest upon which, at 4% per annum, payable semiannually, is available to the Librarian for the purposes specified in each case.

As of June 30, 1957, the principal in the permanent loan account, which shall not exceed the sum of $5 million (12 U. S. C. 158; 31 U. S. C. 725s), was distributed as follows:

Music activities	$1,876,951
Fine arts	396,556
American history	307,040
Hispanic activities	170,437
Poetry and literature	301,150
Miscellaneous purposes	588,485
Total principal	3,640,619

The additional principal sum of $20,000, representing the bequest of Gertrude M. Hubbard, is for the purchase of engravings and etchings (37 Stat. 319).

The use of the income from these accounts is described under Library of Congress gift and trust fund income accounts.

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THE JUDICIARY

Judicial Survivors Annuity Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payment of claims	$228,684	$270,000	$290,000
2. Refunds	1,775		
Total obligations	230,459	270,000	290,000
Financing:			
Unobligated balance brought forward:			
Cash		17,294	19,294
U. S. securities (par)		760,000	1,050,000
Receipts:			
Contributions to the fund	1,007,753	532,000	499,000
Interest on investments		30,000	38,000
Unobligated balance carried forward:			
Cash	−17,294	−19,294	−16,294
U. S. securities (par)	−760,000	−1,050,000	−1,300,000
Total financing	230,459	270,000	290,000

This fund is used to pay annuities to eligible widows and dependent children of deceased judges of the United States, to make refunds to former judges who have elected to come under the judicial survivors annuity system but who have left the service, and to pay claims of survivors of member judges for any unpaid amounts credited to the individual accounts of such judges (28 U. S. C. 376). On June 30, 1957, there were 334 judicial members and 116 survivor annuitants. It is estimated that in 1958 and 1959 there will be respectively 340 and 345 judges covered by the system and that the number of survivor annuitants will total 121 and 124.

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$228,684	$270,000	$290,000
13 Refunds, awards, and indemnities	1,775		
Total obligations	230,459	270,000	290,000

FUNDS APPROPRIATED TO THE PRESIDENT

MUTUAL SECURITY

Mutual Security Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Advances, Mutual Security Act	$107,208,720	$368,800,000	$134,665,990
2. Advances for economic assistance		204	
3. Philippine assistance	217,000	993,089	1,000,000
4. U. S. dollars advanced from foreign governments for technical assistance	1,002,653	1,000,000	848,607
Total obligations	108,428,373	370,793,293	136,514,597
Financing:			
Unobligated balance brought forward:			
Cash	115,064,992	248,436,413	126,454,274
Obligational authority granted in advance of receipts (68 Stat. 836)	94,216,258	186,915,747	48,688,410
Receipts from—			
Advances, Mutual Security Act	239,688,775	228,026,665	126,665,990
Advances for economic assistance			
Philippine assistance	365,893	600,000	
Technical assistance, U. S. dollars advanced from foreign governments	1,415,904	1,400,000	
Obligational authority granted in advance of receipts (68 Stat. 836)	127,858,150	30,500,000	20,000,000
Applied to prior obligational authority	−34,829,439	−149,942,848	−48,688,410
Unobligated balance carried forward:			
Cash	−248,436,413	−126,454,274	−128,605,667
Obligational authority granted in advance of receipts (68 Stat. 836)	−186,915,747	−48,688,410	−8,000,000
Total financing	108,428,373	370,793,293	136,514,597

1. *Advances, Mutual Security Act.*—Advance payments are received from several nations for the procurement or transfer of military supplies, equipment, and services (Mutual Security Act of 1954, as amended, 22 U. S. C. 1705, et seq.).

2. *Advances for economic assistance.*—By agreement with certain governments, the International Cooperation Administration acts as an agent, utilizing dollar advances by them to arrange transportation services for commodities purchased by those countries (Mutual Security Act of 1954, as amended, 22 U. S. C. 1705, et seq.).

3. *Philippine assistance.*—By agreement with the Philippine Government, the International Cooperation Administration acts as its agent, utilizing dollars advanced by the Philippines to procure commodities for them (Mutual Security Act of 1954, as amended, 22 U. S. C. 1705, et seq.).

4. *United States dollars advanced from foreign governments for technical assistance.*—Funds advanced by foreign countries are used to pay some local costs of technical cooperation programs in those countries in accordance with bilateral agreements (Mutual Security Act of 1954, as amended, 22 U. S. C. 1705, et seq.).

Object Classification

	1957 actual	1958 estimate	1959 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
03 Transportation of things	$72,253	$72,000	$70,607
07 Other contractual services	885,000	885,000	742,000
08 Supplies and materials	1,500	1,204	1,000
09 Equipment	260,900	1,035,089	1,035,000
Total, International Cooperation Administration	1,219,653	1,993,293	1,848,607
ALLOCATION TO DEPARTMENT OF DEFENSE			
03 Transportation of things	3,539,688	16,838,000	3,455,000
07 Other contractual services	7,309,571	31,466,000	9,095,000
08 Supplies and materials	15,228,107	70,892,000	15,000,000
09 Equipment	79,344,180	249,104,000	106,765,990
13 Refunds, awards, and indemnities	1,787,174	500,000	350,000
Total, Department of Defense	107,208,720	368,800,000	134,665,990
Total obligations	108,428,373	370,793,293	136,514,597

Informational Foreign Currency Schedule

Advances of foreign currency for technical assistance

[All amounts are stated in United States dollar equivalents computed at the rate o exchange current on June 30, 1957]

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Technical assistance operations (total obligations)	$13,368,316	$14,441,000	$155,000
Financing:			
Unobligated balance brought forward	1,647,756	941,191	155,000
Authorization to expend foreign currency receipts (22 U. S. C. 1651)	12,687,768	13,654,809	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−26,017		
Unobligated balances carried forward	−941,191	−155,000	
Total financing	13,368,316	14,441,000	155,000

Participating countries advance local currencies, pursuant to bilateral agreements under the Mutual Security Act, to pay certain expenses in connection with economic assistance and technical cooperation projects.

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	2,983	3,167	
Full-time equivalent of all other positions	36	39	
Number of employees at end of year	2,779	2,986	
Average salary of foreign nationals	$968	$966	
01 Personal services:			
Permanent positions	$2,774,626	$3,047,000	
Other personal services	792,601	837,000	
Total personal services	3,567,227	3,884,000	
02 Travel	2,547,312	2,250,000	
03 Transportation of things	338,682	387,000	
04 Communication services	91,167	100,000	
05 Rents and utility services	2,058,008	2,265,000	
06 Printing and reproduction	213,049	259,000	
07 Other contractual services	2,278,528	2,956,000	$90,000
Services performed by other agencies	259,985	394,000	20,000
08 Supplies and materials	834,423	931,000	18,000
09 Equipment	312,108	442,000	2,000
10 Lands and structures	15,781	42,000	
11 Grants, subsidies, and contributions	848,284	526,000	25,000
13 Refunds, awards, and indemnities	3,762	5,000	
Total obligations	13,368,316	14,441,000	155,000

Analysis of Expenditures

Obligated balance brought forward	$849,838	$1,427,125	$1,242,125
Obligations incurred	13,368,316	14,441,000	155,000
Obligated balance carried forward	−1,427,125	−1,242,125	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−76,524		
Expenditures	12,714,505	14,626,000	1,397,125

INDEPENDENT OFFICES

AMERICAN BATTLE MONUMENTS COMMISSION

Contributed Flower Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Purchase of flowers (total obligations)	$2,039	$1,500	$1,500
Financing:			
Unobligated balance brought forward	1,731	1,398	1,398
Receipts	1,706	1,500	1,500
Unobligated balance carried forward	−1,398	−1,398	−1,398
Total financing	2,039	1,500	1,500

This fund consists of moneys deposited by citizens for floral decorations for graves in military cemeteries in foreign countries. The donor is advised when the flowers have been placed (Comp. Gen. Dec. A56102, Nov. 4, 1935).

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$2,039	$1,500	$1,500

CIVIL SERVICE COMMISSION

Civil Service Retirement and Disability Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payments of claims	$485,234,297	$600,000,000	$680,000,000
2. Refunds	109,655,894	115,000,000	115,000,000
Total program (costs—obligations)	594,890,191	715,000,000	795,000,000
Financing:			
Unobligated balance brought forward:			
U. S. securities (par)	$6,671,443,642	$7,468,617,471	$8,232,717,471
Receipts:			
Interest and profit on investments	220,793,979	195,000,000	214,000,000
Deductions from employees' salaries, etc	640,522,472	683,580,215	660,000,000
Payments from other funds:			
Appropriation specifically for payment to the fund	525,000,000		
District of Columbia	2,655,748	4,586,529	4,376,983
Appropriations and funds available for payment of employees	2,976,914	[1] 595,833,256	[1] 644,623,017
Gain from premium or discount on investments	114,907	100,000	100,000
Unobligated balance carried forward:			
U. S. securities (par)	−7,468,617,471	−8,232,717,471	−8,960,817,471
Total financing	594,890,191	715,000,000	795,000,000

[1] This amount does not agree with "Deductions from employees salaries, etc." because of voluntary contributions above 6.5% made by employees.

This fund is used to pay annuities to retired employees or their survivors, to make refunds to former employees who have left the service, and to pay claims for employees who have died before retirement or before their annuities are paid in full (5 U. S. C., ch. 14, 66 Stat. 622). It is estimated that as of June 30, 1959, there will be 464,271 persons on the annuity roll, compared with 371,465 as of June 30, 1957, and 413,069 as of June 30, 1958. Beginning in 1958, Government agencies contribute to the fund amounts equal to mandatory deductions from employees' salaries.

The status of the fund is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Investments in U. S. securities at beginning of year (par)	$6,697,179,000	$7,497,551,000	$8,265,617,471
Cash (unexpended balance)	11,621,730	15,125,055	17,000,000
Balance of fund at beginning of year	6,708,800,730	7,512,676,055	8,282,617,471
Cash income during year	1,391,949,113	1,479,000,000	1,523,000,000
Cash outgo during year:			
Payment of claims	478,417,894	594,058,584	687,000,000
Refunds	109,655,894	115,000,000	115,000,000
Total annual outgo	588,073,788	709,058,584	802,000,000
Investments in U. S. securities at end of year (par)	7,497,551,000	8,265,617,471	8,984,617,471
Cash (unexpended balance)	15,125,055	17,000,000	19,000,000
Balance of fund at end of year	7,512,676,055	8,282,617,471	9,003,617,471

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$485,234,297	$600,000,000	$680,000,000
13 Refunds, awards, and indemnities	109,655,894	115,000,000	115,000,000
Total obligations	594,890,191	715,000,000	795,000,000

Employees' Life Insurance Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Gross premium payments	$102,707,031	$103,325,000	$103,300,000
Less return of premiums	756,067	30,000,000	37,000,000
Net premium payments	101,950,964	73,325,000	66,300,000
Administrative and other expenses	123,381	125,589	125,589
Total operating costs	102,074,345	73,450,589	66,425,589
Depreciation included above (−)	−1,661	−1,789	−1,789
Total operating costs, funded	102,072,684	73,448,800	66,423,800
Capital outlay: Purchase of equipment	10,238		
Total program costs, funded	102,082,922	73,448,800	66,423,800

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INDEPENDENT OFFICES—Continued

CIVIL SERVICE COMMISSION—Continued

EMPLOYEES' LIFE INSURANCE FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−$4,744		
Obligations incurred for costs of other years, net		$669	
Total program (obligations)	102,078,178	73,449,469	$66,423,800
Financing:			
Amounts becoming available (revenues and receipts):			
Employees' salary withholdings and agency contributions	102,416,910	103,000,000	103,000,000
Beneficial association premium collections	3,622,373	1,500,000	1,475,000
Interest revenue	144,948	730,000	1,765,000
Adjustment of prior year revenue	1,197		
Total amounts becoming available	106,185,428	105,230,000	106,240,000
Unobligated balance brought forward:			
Cash	1,994,786	929,392	1,019,440
U. S. securities (par)	3,136,873	8,309,517	40,000,000
Total amounts available	111,317,087	114,468,909	147,259,440
Unobligated balance carried forward:			
Cash	−929,392	−1,019,440	−1,835,640
U. S. securities (par)	−8,309,517	−40,000,000	−79,000,000
Financing applied to program	102,078,178	73,449,469	66,423,800

This fund finances the payment of group life insurance premiums to private insurance companies under the Federal Employees' Group Life Insurance Act of 1954 (5 U. S. C. 2091–2103) and any expenses incurred by the Civil Service Commission in administration of this act as annually authorized by Congress.

Premium costs are met by withholding from the salary of an employee under age 65, as his share of his group life and accidental death and dismemberment insurance, an amount not to exceed 25 cents biweekly for each $1,000 of his group life insurance, and contribution by the Government from appropriations or funds used for the payment of his salary, wage, or other compensation of an amount not to exceed one-half the amount withheld from the employee.

Budget program.—Through June 30, 1957, a total of $185,400,000 was withheld from the salaries of covered employees and $92,700,000 was contributed by the Government to the fund. It is estimated that in 1959, a sum of $68,700,000 will be paid into the fund by employees and $34,350,000 by the Government. As of June 30, 1957, a total of $140,300,000 had been paid by the insurer in benefits and approximately $12,000,000 in accrued benefits awaited filing of claims. An estimated $65,000,000 in benefits will be paid in 1959.

Most of the difference between receipts and benefit payments is held by the insurer as a contingency reserve. As of November 17, 1956, the end of the second policy year, there was $90,471,500 in this reserve. At the end of future policy years the contingency reserve will be held at a level of $100,000,000 and any amounts above this figure will be returned to this fund. The estimated returns of $30,000,000 in 1958 and $37,000,000 in 1959, netted against expense, account for the increase in retained earnings which will be used to meet the cost of future benefits.

Pursuant to Public Law 356, Eighty-fourth Congress, the Civil Service Commission has assumed life insurance assets and liabilities of 16 nonprofit associations of Federal employees with an approximate membership of 54,000, assets of approximately $5 million, and coverage of approximately $82 million.

Operating results.—Earnings are retained to meet the cost of future benefits.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Supplies	$2,848	$4,741	$5,000	$5,000
Unpaid undelivered orders	8,227	1,590	2,000	2,000
Total selected resources at end of year	11,075	6,331	7,000	7,000
Selected resources at start of year (−)		−11,075	−6,331	−7,000
Costs financed from obligations of other years, net (−)		−4,744		
Obligations incurred for costs of other years, net			669	

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$10,238		
Expense	102,072,684	$73,448,800	$66,423,800
Increase in selected working capital		41,793	716,200
Total gross expenditures	102,082,922	73,490,593	67,140,000
Receipts from operations (funds provided):			
Revenue	106,184,231	105,230,000	106,240,000
Adjustment of prior year revenue	1,197		
Decrease in selected working capital	499,344		
Total receipts from operations	106,684,772	105,230,000	106,240,000
Trust expenditures	−4,601,850	−31,739,407	−39,100,000

Revenue, Expense, and Retained Earnings

Revenue	$106,184,231	$105,230,000	$106,240,000
Expense	102,074,345	73,450,589	66,425,589
Net income for the year	4,109,886	31,779,411	39,814,411
Analysis of retained earnings:			
Retained earnings, beginning of year	5,149,968	9,261,051	41,040,462
Adjustment of prior year revenue	1,197		
Retained earnings, end of year	9,261,051	41,040,462	80,854,873

Financial Condition

Assets:			
Cash with Treasury	$5,051,076	$5,100,000	$5,200,000
U. S. securities (par)	8,309,517	40,000,000	79,000,000
Accounts receivable, net	7,254,701	7,500,000	8,000,000
Supplies	4,741	5,000	5,000
Equipment (net)	15,811	14,022	12,233
Total assets	20,635,846	52,619,022	92,217,233
Liabilities:			
Current	11,374,795	11,578,560	11,362,360
Net trust investment:			
Retained earnings	9,261,051	41,040,462	80,854,873

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash and U. S. securities	$8,758,744	$13,360,593	$45,100,000	$84,200,000
Obligated balance, net:				
Current liabilities	12,547,415	11,374,795	11,578,560	11,362,360
Unpaid undelivered orders	8,227	1,590	2,000	2,000
Accounts receivable, net (−)	−8,928,557	−7,254,701	−7,500,000	−8,000,000
Total obligated balance	3,627,085	4,121,684	4,080,560	3,364,360
Unobligated balance	5,131,659	9,238,909	41,019,440	80,835,640

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FOREIGN CLAIMS SETTLEMENT COMMISSION

War Claims Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Payment of claims:			
(a) Payment of World War II claims	$9,263,356	$7,000,000	$37,500
(b) Employees' compensation claims and expenses	1,332,000		
2. Administrative expenses:			
(a) Foreign Claims Settlement Commission	100,000	265,000	85,000
(b) Bureau of Employees' Compensation	78,500		
Total obligations	10,773,856	7,265,000	122,500
Financing:			
Unobligated balance brought forward	31,810,874	3,537,232	1,272,232
Receipts	−17,500,000	5,000,000	
Recovery of prior year obligations	214		
Unobligated balance carried forward	−3,537,232	−1,272,232	−1,149,732
Total financing	10,773,856	7,265,000	122,500

The war claims fund consists of funds transferred by the Office of Alien Property, Department of Justice, from the net proceeds derived from the liquidation of former German and Japanese assets vested pursuant to the Trading With the Enemy Act. This is the master trust account from which transfers are made to other accounts and it includes all unobligated balances from these accounts.

Pursuant to section 13 (a) of the War Claims Act of 1948, as amended, the sum of $5 million is to be transferred from the Office of Alien Property to cover the remaining cost of payments under Public Law 997, approved August 6, 1956.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services: Services performed by other agencies	$178,500	$265,000	$85,000
13 Refunds, awards, and indemnities: Direct payments of claims	9,263,356	7,000,000	37,500
Payment to Bureau of Employees' Compensation	1,332,000		
Total obligations	10,773,856	7,265,000	122,500

GENERAL ACCOUNTING OFFICE

Proceeds From Estates of American Citizens Who Die Abroad

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total program costs—obligations)	$16,600	$3,000	$3,000
Financing:			
Unobligated balance brought forward	5,433	7,140	5,140
Receipts	18,307	1,000	1,000
Unobligated balance carried forward	−7,140	−5,140	−3,140
Total financing	16,600	3,000	3,000

Proceeds of personal estates left by citizens of the United States who die abroad, other than seamen belonging to any vessel, are transmitted to the General Accounting Office to be held in this trust account for the legal claimants (22 U. S. C. 1175).

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$16,600	$3,000	$3,000

HISTORICAL AND MEMORIAL COMMISSIONS

Alexander Hamilton Bicentennial Commission

Alexander Hamilton Bicentennial Commission, Donations

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Scholarships (total obligations)	$23,975	$57,125	
Financing:			
Unobligated balance brought forward		14,125	
Receipts	38,100	43,000	
Unobligated balance carried forward	−14,125		
Total financing	23,975	57,125	

This fund received donations from private sources and the Alexander Hamilton Bicentennial Commission awarded competitive scholarships prior to its expiration on January 11, 1958.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$360		
02 Travel	15,170	$1,033	
04 Communication services	268		
05 Rents and utility services	86	55	
06 Printing and reproduction	34		
07 Other contractual services	7,189	20	
08 Supplies and materials	546	17	
11 Grants, subsidies, and contributions: Scholarships		56,000	
13 Refunds, awards, and indemnities	314		
15 Taxes and assessments	8		
Total obligations	23,975	57,125	

NATIONAL CAPITAL HOUSING AUTHORITY

Operation and Maintenance, Properties Aided by Public Housing Administration

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Management operations	$2,292,451	$2,205,961	$2,510,841
2. Development	5,051,848	27,985,160	13,585,006
Total program costs	7,344,299	30,191,121	16,095,847
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−48,386	−50,357	
Obligations incurred for costs of other years, net			3,799
Total program (obligations)	7,295,913	30,140,764	16,099,646
Financing:			
By operations	3,934,827	4,611,927	4,570,721
By non-Treasury financing (net)	3,807,173	25,791,837	11,628,925
Increase in Treasury cash (−)	−446,087	−263,000	−100,000
Financing applied to program	7,295,913	30,140,764	16,099,646

The National Capital Housing Authority operates the low-rent public housing program in the District of Colum-

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INDEPENDENT OFFICES—Continued

NATIONAL CAPITAL HOUSING AUTHORITY—Continued

OPERATION AND MAINTENANCE, PROPERTIES AIDED BY PUBLIC HOUSING ADMINISTRATION—Continued

bia, under the authority of the Housing Act of 1937, and title II of the District of Columbia Alley Dwelling Act (48 Stat. 930). The 1959 program consists of the operation of 7,704 dwelling units and the development of 1,618 additional units. Management and development operations are financed through rental income, loans and annual contributions. Projects are permanently financed through the sale of 40-year Authority bonds which are supported by the pledge of the Public Housing Administration to pay annual contributions equal to the debt service less any excess of operating receipts over operating expense.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories, deferred charges	$124,190	$87,472	$96,100	$94,899
Unpaid undelivered orders	97,653	85,985	27,000	32,000
Total selected resources at end of year	221,843	173,457	123,100	126,899
Selected resources at start of year (−)		−221,843	−173,457	−123,100
Costs financed from obligations of other years, net (−)		−48,386	−50,357	
Obligation incurred for costs of other years, net				3,799

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
To operations:			
Acquisition of assets: Land, structures, and equipment	$5,051,848	$27,985,160	$13,585,006
Expense	2,239,479	2,155,604	2,514,640
Casualty losses (restoration costs)	195		
Payments to Public Housing Administration	4,391		
To non-Treasury financing:			
Retirement of temporary notes	6,502,000	18,237,000	29,700,000
Retirement of Public Housing Administration notes	2,416,003		
Retirement of bonds	477,000	486,000	488,000
Interest on notes and bonds	888,148	1,160,163	1,353,075
Increase in fiscal agent funds for debt service	16,804	25,000	30,000
Total gross expenditures	17,595,868	50,048,927	47,670,721
Receipts from operations (funds provided):			
By operations:			
Revenue from operating properties	2,453,553	2,421,895	3,190,598
Public Housing Administration contribution:			
Current year	1,120,888	1,969,553	1,201,798
Other receipts	33,774	3,537	2,547
Decrease in selected working capital	326,612	216,942	175,778
By non-Treasury financing:			
Advance notes, Public Housing Administration	2,453,128		
Sale of Housing Authority bonds		16,000,000	20,000,000
Sale of temporary notes	11,654,000	29,700,000	23,200,000
Total receipts from operations	18,041,955	50,311,927	47,770,721
Net trust expenditures	−446,087	−263,000	−100,000

Revenue, Expense, and Retained Earnings

Revenue	$2,453,553	$2,421,895	$3,190,598
Expense	2,239,479	2,155,604	2,514,640
Net operating income	214,074	266,291	675,958
Nonoperating income	9,693	9,262	8,272
Nonoperating expense	728,170	867,825	976,825
Net loss (−) for the year	−504,403	−592,272	−292,595
Analysis of deficit(−):			
Deficit (−), beginning of year	−3,822,538	−1,014,256	−1,606,528
Close-out of reserve for depreciation	3,340,702		
Loss from disposition of property (−)	−34,483		
Adjustment of prior year expense	6,466		
Deficit (−), end of year	−1,014,256	−1,606,528	−1,899,123

Financial Condition

	1957 actual	1958 estimate	1959 estimate
Assets:			
Cash:			
Cash with Treasury	$1,951,246	$2,214,246	$2,314,246
On hand and in transit	24,393	16,000	16,000
Investments in U. S. savings bonds	48,650	48,950	49,300
Accounts receivable, net	1,271,246	1,078,769	1,025,874
Supplies, deferred charges	87,472	96,100	94,899
Fiscal agent funds for debt service	190,881	214,077	221,148
Land, structures, and equipment, net	46,230,089	80,907,966	94,603,272
Total assets	49,803,977	84,576,108	98,324,739
Liabilities:			
Current liabilities	1,040,463	1,065,463	1,187,495
Other liabilities:			
Temporary notes payable	10,989,000	29,700,000	23,200,000
Housing Authority bonds payable	26,178,000	41,710,000	61,222,000
Unamortized bond premiums	186,188	180,463	174,738
Total liabilities	38,393,651	72,655,926	85,784,233
Government investment:			
Interest-bearing capital:			
Series "B" Housing Authority bonds, Public Housing Administration	3,199,000	3,180,000	3,121,000
Advance loan notes payable, Public Housing Administration	37,125		
Non-interest-bearing capital:			
Cumulative Public Housing Administration contributions	5,337,916	6,469,716	7,671,514
Federal projects conveyed for low-rent use	3,819,467	3,845,994	3,616,115
Donated assets	31,074	31,000	31,000
Total Government investment	12,424,582	13,526,710	14,439,629
Trust investment: Deficit (−)	−1,014,256	−1,606,528	−1,899,123
Total Government investment and trust deficit (−)	11,410,326	11,920,182	12,540,506

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balances: Cash and U. S. securities	$1,505,158	$1,999,896	$2,263,196	$2,363,546
Obligated balance net:				
Current liabilities	796,511	1,040,463	1,065,463	1,187,495
Obligations other than current liabilities	2,050,527	2,255,072	2,292,502	2,217,925
Accounts receivable, net and cash in transit (−)	−1,341,880	−1,295,639	−1,094,769	−1,041,874
Total obligated balance	1,505,158	1,999,896	2,263,196	2,363,546
Unobligated balance				

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	253	271	272
Average number of all employees	245	263	266
Number of employees at end of year	249	265	269
Average GS grade and salary	6.8 $5,425	6.6 $5,184	6.6 $5,234
Average ungraded salary	$3,925	$3,967	$3,972
01 Personal services:			
Permanent positions	$1,109,363	$1,193,303	$1,198,542
Other personal services	10,936	16,248	22,027
Total personal services	1,120,299	1,209,551	1,220,569
Undistributed	6,175,614	28,931,213	14,878,577
Total obligations	7,295,913	30,140,764	16,099,146

NATIONAL CAPITAL PLANNING COMMISSION

CONTRIBUTED FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. George Washington Memorial Parkway, Va	$400,000	$409,000	

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. George Washington Memorial Parkway, Md	$207,000	$75,000	
Total obligations	607,900	484,000	
Financing:			
Receipts	607,000	484,000	

One-half the cost of acquiring land for the George Washington Memorial Parkway is contributed by the States of Maryland and Virginia and held in trust for purchases as authorized by the Commission (46 Stat. 482). Although no contributions are expected in 1959 repayments will be forthcoming in subsequent years.

Object Classification

	1957 actual	1958 estimate	1959 estimate
10 Lands and structures	$607,000	$484,000	

NATIONAL SCIENCE FOUNDATION

National Science Foundation, Donations

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Executive direction and management (total obligations)	$134	$500	$500
Financing:			
Unobligated balance brought forward	3,006	4,003	4,503
Receipts	1,131	1,000	1,000
Unobligated balance carried forward	−4,003	−4,503	−5,003
Total financing	134	500	500

Donations received under authority of 42 U. S. C. 1870 may be used in furtherance of general purposes of the Foundation.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$134	$500	$500

RAILROAD RETIREMENT BOARD

Railroad Retirement Account

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Retirement and survivor benefit payments	$678,021,696	$708,000,000	$747,000,000
2. Interest payments, Public Law 234	1,588,000		
3. Administrative expenses	7,451,743	8,150,000	8,450,000
Total obligations	687,061,439	716,150,000	755,450,000
Financing:			
Unobligated balance brought forward:			
Cash	3,356,232	2,108,657	616,657
U. S. securities (par)	3,605,255,729	3,642,058,000	3,767,000,000
Recovery of prior year obligations	39,556		
Receipts from—			
Interest and profit on investments	106,656,703	109,600,000	114,000,000
Railroad retirement taxes	615,919,876	620,000,000	625,000,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Transfer from Federal old-age and survivors insurance trust fund (60 Stat. 687)		$110,000,000	$220,000,000
Transferred to Federal disability trust fund (70 Stat. 837)			−10,000,000
Unobligated balance carried forward:			
Cash	−$2,108,657	−616,657	−666,657
U. S. securities (par)	−3,642,058,000	−3,767,000,000	−3,960,500,000
Total financing	687,061,439	716,150,000	755,450,000

Under the railroad retirement system, workers and employers contribute in the form of taxes on wages toward benefits which are payable when workers reach 65, become disabled, or die. These contributions are deposited in this trust fund and invested in Government securities bearing interest of at least 3%.

Transfers are made between this account and the Federal disability insurance trust fund and the Federal old-age and survivors insurance trust fund so as to place these funds in the same position in which they would have been if railroad employment had been included in social insurance coverage (65 Stat. 687 and 70 Stat. 837).

The status of the fund is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Investments in U. S. securities at beginning of year (par)	$3,606,505,000	$3,642,058,000	$3,767,000,000
Uninvested cash	55,746,452	60,737,555	58,795,555
Balance of fund at beginning of year	3,662,251,452	3,702,795,555	3,825,795,555
Cash income during the year:			
Taxes	615,919,876	620,000,000	625,000,000
Transfer from Federal old-age and survivors insurance trust fund (65 Stat. 687)		110,000,000	220,000,000
Interest and profit on investments	106,656,703	109,600,000	114,000,000
Total annual income	722,576,579	839,600,000	959,000,000
Total available during year	4,384,828,031	4,542,395,555	4,784,795,555
Cash outgo during year:			
Benefit payments and claims	669,734,356	707,000,000	746,000,000
Interest payments to Federal old-age and survivors insurance trust fund	5,220,000	1,588,000	
Administrative expenses	7,078,120	8,012,000	8,400,000
Transfer to Federal disability insurance trust fund (70 Stat. 837)			10,000,000
Total annual outgo	682,032,476	716,600,000	764,400,000
Investments in U. S. securities at end of year (par)	3,642,058,000	3,767,000,000	3,960,500,000
Uninvested cash	60,737,555	58,795,555	59,895,555
Balance of fund at end of year	3,702,795,555	3,825,795,555	4,020,395,555

Income.—The income of the railroad retirement account consists of taxes paid by railroad employers and employees; interest on investments; and payments from the Federal old-age and survivors insurance trust fund. The railroad retirement system has a reinsurance arrangement of financial interchanges with the social security system.

Budget program—(1) *Retirement and survivor benefit payments.*—Payments will increase annually until the system reaches maturity some years hence.

(2) *Interest payments under Public Law 234.*—Interest was paid in 1957 to the Federal old-age and survivors insurance trust fund to place the trust fund in the same position in which it would have been if railroad employment after 1936 had been under social security coverage. However, in 1958 and 1959 no interest will be paid. Instead, the railroad account will receive funds from the old-age and survivors' insurance trust fund (45 U. S. C 228).

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INDEPENDENT OFFICES—Continued

RAILROAD RETIREMENT BOARD—Continued

RAILROAD RETIREMENT ACCOUNT—Continued

(3) *Administrative expenses.*—Such expenses are subject to annual limitations in appropriation acts (see "Limitation on salaries and expenses," Railroad Retirement Board, in part II of the budget).

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$678,021,696	$708,000,000	$747,000,000
Interest payments under Public Law 234	1,588,000		
Administrative expenses, "Limitation on salaries and expenses" (see account in part II)	7,451,743	8,150,000	8,450,000
Total obligations	687,061,439	716,150,000	755,450,000

RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Maintenance of earnings accounts	$233,696	$276,497	$284,907
2. Processing of unemployment insurance claims	4,478,837	5,155,346	5,169,785
3. Processing of sickness and maternity claims	1,672,134	2,040,707	2,044,172
4. Administration	533,587	644,381	656,809
Total obligations	6,918,254	8,116,931	8,155,673
Financing:			
Unobligated balance brought forward	6,000,000	6,000,000	6,000,000
Adjustment of prior year transactions	158,476		
Receipts:			
Current year	6,897,230	8,116,931	8,155,673
Adjustment of prior year	−137,452		
Unobligated balance carried forward	−6,000,000	−6,000,000	−6,000,000
Total financing	6,918,254	8,116,931	8,155,673

The Board administers an unemployment and sickness insurance system and an employment service to find jobs for unemployed railroad workers. The cost is provided through a permanent appropriation of 0.2% of taxable payroll. As of each June 30, the unobligated balance in this fund in excess of $6 million is transferred as shown in the following table to the railroad unemployment insurance account in the unemployment trust fund (45 U. S. C. 361).

	1957 actual	*1958 estimate*	*1959 estimate*
Permanent appropriation, 0.2% of taxable payroll	$10,008,251	$9,920,000	$10,000,000
Excess in fund over $6,000,000 at end of year (−)	−3,111,021	−1,803,069	−1,844,327
Appropriation, net	6,897,230	8,116,931	8,155,673

1. *Maintenance of earnings accounts.*—The amounts of insurance payments for unemployment, sickness, and maternity benefits are based upon individual records of earnings and daily wage rates. This workload fluctuates with the level of employment in the railroad industry, rates of turnover, and similar factors. The costs are shared on a measured basis with the retirement program. Compensation items were 2,816,271 in 1957 and are estimated to be 2,840,000 in 1958 and 2,800,000 in 1959.

2. *Processing of unemployment insurance claims.*—This involves paying benefits to unemployed railroad workers and conducting an employment service to find jobs for them. Claims for unemployment compensation are filed locally and certified for payment through regional offices; the number fluctuates when economic changes affect the railroad industry. Unemployment claims were 1,552,942 in 1957 and are estimated at 1,500,000 in 1958 and 1959.

3. *Processing of sickness and maternity claims.*—These claims are filed by mail and certified for payment through the regional offices of the Board. The volume of sickness claims is relatively stable. Sickness claims were 915,264 in 1957 and are estimated at 936,000 in 1958 and 1959.

4. *Administration.*—Except for certain basic activities the costs of administration are shared between this and the retirement program on a measured basis.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1,109	1,143	1,149
Full-time equivalent of all other positions	80	91	86
Average number of all employees	1,045	1,188	1,192
Number of employees at end of year	1,100	1,210	1,210
Average GS grade and salary	6.0 $4,616	6.0 $4,677	6.0 $4,683
01 Personal services:			
Permanent positions	$4,589,222	$5,267,854	$5,307,236
Positions other than permanent	243,690	282,751	260,628
Other personal services	95,456	102,000	89,795
Total personal services	4,928,368	5,652,605	5,657,659
02 Travel	282,839	321,054	334,602
03 Transportation of things	23,204	20,793	21,078
04 Communication services	77,497	86,358	87,819
Penalty mail costs	99,414	110,000	110,000
05 Rents and utility services	311,534	390,417	418,857
06 Printing and reproduction	11,660	23,767	23,569
07 Other contractual services	789,901	804,112	808,890
Services performed by other agencies	213,716	206,972	184,829
08 Supplies and materials	108,713	95,036	95,211
09 Equipment	62,562	64,225	55,340
11 Grants, subsidies, and contributions		330,533	346,312
13 Refunds, awards, and indemnities	3,536	5,158	5,454
15 Taxes and assessments	5,310	5,901	6,053
Total obligations	6,918,254	8,116,931	8,155,673

SMITHSONIAN INSTITUTION

CANAL ZONE BIOLOGICAL AREA

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Maintenance and operation of facilities (total obligations)	$7,004	$6,000	$6,000
Financing:			
Unobligated balance brought forward	2,934	5,828	5,328
Receipts	9,898	5,500	5,000
Unobligated balance carried forward	−5,828	−5,328	−4,328
Total financing	7,004	6,000	6,000

Donations, subscriptions, and fees are appropriated and used to defray part of the expense of maintaining and operating the Canal Zone Biological Area (5 U. S. C. 133y–4; 20 U. S. C. 79, 79a).

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$7,004	$6,000	$6,000

UNITED STATES INFORMATION AGENCY

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

United States dollars advanced from foreign governments, United States informational exchange program

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Sale of motion-picture films (total obligations)	$54,105	$54,776	$50,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward		$4,776	
Receipts	$58,881	50,000	$50,000
Unobligated balance carried forward	−4,776		
Total financing	54,105	54,776	50,000

These funds are advanced from foreign governments and/or private organizations for purchase of films owned or controlled by the Agency. The Agency places orders with domestic film-processing companies to make copies of such films, for which payment is made from this account (22 U. S. C. 1431 et seq; 22 U. S. C. 1479).

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$54,105	$54,776	$50,000

Analysis of Expenditures

Obligations incurred	$54,105	$54,776	$50,000
Expenditures	54,105	54,776	50,000

VETERANS ADMINISTRATION

Adjusted Service Certificate Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Adjusted service payment program: Payment of World War I adjusted-service certificates (total costs—obligations)	$262,904	$275,000	$275,000
Financing:			
Unobligated balance brought forward:			
Cash	10,393	4,508,606	4,233,606
U. S. securities (par)	4,580,000		
Receipts (interest)	181,117		
Unobligated balance carried forward:			
Cash	−4,508,606	−4,233,606	−3,958,605
Total financing	262,904	275,000	275,000

This fund, established by appropriation from the general fund of the Treasury, is used to pay adjusted-service certificates issued to veterans of World War I upon maturity or upon demand. The principal of the fund has not been invested in United States securities since January 1, 1957. None of the fund will be invested in succeeding years. All future payments will be made from the principal of the fund. Only a small portion of the certificates remain unpaid (38 U. S. C. 646–657).

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$262,904	$275,000	$275,000

General Post Fund, National Homes

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Recreation and entertainment	$1,799,797	$3,105,223	$1,882,000
Discount on sales of investments in U. S. securities	19,844		
Total program (costs—obligations)	1,819,641	3,105,223	1,882,000
Financing:			
Unobligated balance brought forward:			
Cash	$1,394,470	$1,199,388	$750,000
U. S. securities (par)	2,867,500	2,660,000	1,342,500
Receipts from—			
Donations:			
Cash	1,298,972	1,300,000	1,300,000
U. S. securities	42,500		
Interest on investments	75,587	38,335	32,000
Unobligated balance carried forward:			
Cash	−1,199,388	−750,000	−500,000
U. S. securities (par)	−2,660,000	−1,342,500	−1,042,500
Total financing	1,819,641	3,105,223	1,882,000

This fund consists of gifts and bequests and proceeds of property left in the care of the facilities by former beneficiaries, unpaid pension money standing to the credit of beneficiaries who die without pensionable heirs, and proceeds of estates. Such funds are used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available.

Object Classification

	1957 actual	1958 estimate	1959 estimate
05 Rents and utility services	$30,358	$30,000	$30,000
07 Other contractual services	60,725	70,000	70,000
08 Supplies and materials	902,682	1,100,000	1,100,000
09 Equipment	314,110	500,000	300,000
10 Land and structures	448,055	1,355,223	332,000
13 Refunds, awards, and indemnities	43,867	50,000	50,000
16 Investments and loans	19,844		
Total obligations	1,819,641	3,105,223	1,882,000

National Service Life Insurance Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
1. Death claims	$312,860,764	$305,000,000	$300,000,000
2. Disability claims	187,276	200,000	200,000
3. Premiums waived for disability	9,483,105	10,000,000	10,800,000
4. Cash surrenders and matured endowments	11,262,924	14,200,000	14,400,000
5. Dividends	199,737,125	225,000,000	220,000,000
6. Interest paid on dividend deposits	2,551,643	3,000,000	3,500,000
7. Receivables waived and written off	310,302	500,000	500,000
8. Increase or decrease (−) in operating reserves:			
Policy reserves	259,727,773	197,507,796	220,000,000
Reserve for future installments on matured contracts	−159,508,121	−93,628,346	−84,473,000
Premium waiver disability reserves	7,807,839	−81,638	
Total disability income reserves	1,057,651	1,102,675	1,150,000
Policy claims currently outstanding	1,000,000	−500,000	−500,000
Reserve for dividends declared	−11,517,954	14,073,539	−3,500,000
Total operations (obligations)	634,960,327	676,374,026	682,077,000
Capital outlay:			
Policy loans made	80,498,776	100,000,000	118,400,000
Policy liens established	596,122	900,000	1,600,000
Total capital outlay	81,094,898	100,900,000	120,000,000
Total program (obligations)	716,055,225	777,274,026	802,077,000
Less items not processed through Treasury (see contra entry below)	68,426,069	89,973,934	94,500,000
Net program (obligations)	647,629,156	687,300,092	707,577,000
Financing:			
Unobligated balance brought forward:			
U. S. securities (par)	315,812,443	275,700,770	219,462,086
Receipts:			
Premiums earned	444,931,376	472,500,957	477,500,000
Interest on investments	170,412,029	178,379,117	181,482,981
Transfers from national service life insurance appropriation	14,438,363	12,682,291	11,930,810
Loans repaid	45,637,709	56,936,944	63,400,000
Liens repaid	479,198	536,033	600,000
Recovery of liens written off	44,877		
Subtotal	675,943,552	721,035,342	734,913,791

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INDEPENDENT OFFICES—Continued

VETERANS ADMINISTRATION—Continued

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing—Continued			
Receipts—Continued			
Less items not processed through Treasury (see contra entry above)	$68,426,069	$89,973,934	$94,500,000
Total receipts	607,517,483	631,061,408	640,413,791
Total amounts available	923,329,926	906,762,178	859,875,877
Unobligated balance carried forward:			
U. S. securities (par)	−275,700,770	−219,462,086	−152,298,877
Financing applied to program	647,629,156	687,300,092	707,577,000

This fund was established in 1940 as the financing mechanism for the World War II servicemen's and veterans' insurance program authorized by the National Service Life Insurance Act of 1940. Over 22 million policies were issued under this program of which about 5.4 million, totaling approximately $35 billion, remain in force. Because issuance of new policies was ended in 1951, the insurance in force will continue to decline.

The assets of the fund, which are invested in special Treasury interest-bearing securities and in policy loans are expected to increase from $5,775 million as of June 30, 1957, to $6,025 million on June 30, 1959. The actuarial estimate of policy obligations at the end of the budget year totals $5,591 million leaving a balance of $434 million for contingency reserves.

The income of the fund derives from premium receipts, investments, and payments which are made to the fund from the appropriation for "National service life insurance" for claims (1) resulting from extra hazards of the veterans' service, and (2) arising on certain policies held by personnel on active duty.

The largest expenditures of the fund are for payments on death claims, the majority of which arose during World War II. Effective January 1, 1957, dividend rates were increased 13.5% and approximately half of premium receipts will be returned to policyholders as dividends. Administrative expenses are charged to the appropriation for "General operating expenses."

During 1957, policy reserves were increased $410 million. This action caused the fund net operating loss for that year of $155 million.

This fund is operated on a commercial basis to the greatest possible extent consistent with law. The following business-type statements of income and expense and financial condition include noncash transactions relating to the status of insurance policy accounts. In the budget schedules these noncash transactions, which are offset by other claims of the fund, are subtracted from the program obligations in order to show the cash position of the fund.

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue	$629,781,768	$663,562,365	$670,913,791
Expense	634,960,327	676,374,026	682,077,000
Net operating loss (−) for the year	−5,178,559	−12,811,661	−11,163,209
Nonoperating income or loss (−):			
Writeoff of policy liens	−109,396		
Recovery of policy liens written off	44,877		
Net loss (−) for the year	−5,243,078	−12,811,661	−11,163,209

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$463,806,722	$458,273,747	$445,462,086
Adjustment of policy loans	−289,897		
Retained earnings, end of year	458,273,747	445,462,086	434,298,877

Financial Condition

Assets:			
Cash with Treasury	$13,211,879	$13,103,821	$12,441,112
U. S. securities (par)	5,570,310,000	5,645,310,000	5,724,310,000
Accounts receivable, net	8,513,800	5,458,500	6,375,000
Policy loans	181,936,944	225,000,000	280,000,000
Policy liens	636,033	1,000,000	2,000,000
Total assets	5,774,608,656	5,889,872,321	6,025,126,112
Liabilities:			
Current	107,873,978	119,976,235	136,216,235
Premiums paid in advance	82,000,957	79,500,000	77,000,000
Operating reserves:			
Policy reserves	2,042,492,204	2,240,000,000	2,460,000,000
Premium waiver disability reserves	111,081,638	111,000,000	111,000,000
Reserve for future installments on matured contracts	2,854,062,346	2,760,434,000	2,675,961,000
Total disability income reserves	6,897,325	8,000,000	9,150,000
Reserve for dividends declared	96,926,461	111,000,000	107,500,000
Policy claims currently outstanding	15,000,000	14,500,000	14,000,000
Total liabilities	5,316,334,909	5,444,410,235	5,590,827,235
Government investment:			
Retained earnings (reserve for contingencies)	458,273,747	445,462,086	434,298,877
Total liabilities and investment	5,774,608,656	5,889,872,321	6,025,126,112

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash and U. S. securities	$5,490,999,232	$5,583,521,879	$5,658,413,821	$5,736,751,112
Obligated balance net:				
Current liabilities	5,186,943,758	5,316,334,909	5,444,410,235	5,590,827,235
Accounts receivable, net and cash in transit (−)	−11,756,969	−8,513,800	−5,458,500	−6,375,000
Total obligated balance	5,175,186,789	5,307,821,109	5,438,951,735	5,584,452,235
Unobligated balance	315,812,443	275,700,770	219,462,086	152,298,877

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$784,960,327	$676,374,026	$682,077,000
16 Investments and loans (policy loans)	81,094,898	100,900,000	120,000,000
Total program (obligations)	866,055,225	777,274,026	802,077,000
Less items not processed through Treasury	68,426,069	89,973,934	94,500,000
Net program (obligations)	797,629,156	687,300,092	707,577,000

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
1. Death claims	$35,211,817	$31,500,000	$32,000,000
2. Disability claims	7,161,707	11,425,000	11,425,000
3. Premiums waived for disability	124,215	127,750	125,000
4. Cash surrenders and matured endowments	30,211,325	28,500,000	22,500,000
5. Dividends	21,040,253	26,000,000	61,000,000
6. Interest credited on dividend accumulations	264,536	275,000	300,000
7. Increase or decrease (−) in operating reserves:			
Policy claims currently outstanding	661,798	−75,926	−100,000
Policy reserves	−37,552,477	−16,837,554	−16,000,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Operations (obligations)—Continued			
7. Increase or decrease (−) in operating reserves—Continued			
Reserve for total disability	−$252,946	−$52,138	−$50,000
Reserve for future installments on matured contracts	3,404,742	3,554,459	3,500,000
Reserve for dividends declared	3,751,987	31,272,129	−32,500,000
Total operations (obligations)	64,026,957	115,688,720	82,200,000
Capital outlay:			
Policy loans made	22,370,937	20,430,000	18,450,000
Policy liens established	61,923	70,000	100,000
Total capital outlay	22,432,860	20,500,000	18,550,000
Total program (obligations)	86,459,817	136,188,720	100,750,000
Less items not processed through Treasury (see contra entry below)	30,177,310	28,113,791	26,200,000
Net program (obligations)	56,282,507	108,074,929	74,550,000
Financing:			
Unobligated balance brought forward:			
U. S. securities (par)	7,393,739	20,373,415	−19,550,328
Receipts:			
Premium earned	27,410,644	26,263,329	25,749,000
Interest on investments	46,472,266	46,300,000	44,700,000
Transfers from military and naval insurance appropriation	636,305	700,000	710,000
Loans repaid	24,871,071	22,950,675	21,050,000
Liens repaid	49,140	50,973	50,000
Recovery of policy liens written off	67		
Subtotal	99,439,493	96,264,977	92,259,000
Less items not processed through Treasury (see contra entry above)	30,177,310	28,113,791	26,200,000
Total receipts	69,262,183	68,151,186	66,059,000
Unobligated balance carried forward:			
U. S. securities (par)	−20,373,415	19,550,328	28,041,328
Financing applied to program	56,282,507	108,074,929	74,550,000

This fund was established in 1919 to receive premiums and pay claims on insurance issued under the provisions of the War Risk Insurance Act. Approximately 370,000 policies of United States Government life insurance, providing coverage of over $1.6 billion, remain in force.

The assets of the fund, which are invested in interest-bearing securities and policy loans, are estimated to decline from $1,323 million as of June 30, 1957, to $1,242 million on June 30, 1959, as an increasing number of policies mature through death or disability. The actuarial estimate of obligations at the end of the budget year totals $1,155 million, leaving retained earnings of $87 million.

The income of the fund is derived from premium receipts, investments, and payments which are made to the fund from the appropriation "Military and naval insurance," for claims (*a*) resulting from the extra hazards of the veteran's service, and (*b*) arising on certain policies held by personnel on active military duty. Administrative expenses are charged to the appropriation for "General operating expenses."

A total of $61 million dividends will be paid in 1959 on United States Government life insurance policies. This amount includes $32 million as a special dividend to be paid in the fall of 1958.

The fund is operated on a commercial basis to the greatest possible extent consistent with law. The following business-type statements of income and expense and financial condition include noncash transactions relating to the status of insurance policy accounts.

Revenue, Expense, and Retained Earnings

	1957 actual	1958 estimate	1959 estimate
Revenue	$74,519,215	$73,263,329	$71,159,000
Expense	64,026,802	115,688,720	82,200,000
Net operating income or loss (−) for the year	10,492,413	−42,425,391	−11,041,000

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Nonoperating income or loss (−):			
Writeoff of policy liens	−$843		
Recovery of policy liens written off	67		
Net income or loss (−) for the year	10,491,637	−$42,425,391	−$11,041,000
Analysis of retained earnings:			
Retained earnings, beginning of year	130,111,878	140,555,063	98,129,672
Adjustment of prior year expense	−155		
Adjustment of policy loans	−48,297		
Retained earnings, end of year	140,555,063	98,129,672	87,088,672

Financial Condition

Assets:			
Cash with Treasury	$988,925	$1,393,091	$1,503,091
U. S. securities (par)	1,200,427,000	1,177,127,000	1,123,127,000
Accounts receivable, net	1,802,813	2,426,481	2,375,481
Policy loans	120,120,675	117,600,000	115,000,000
Policy liens	60,973	80,000	130,000
Total assets	1,323,400,386	1,298,626,572	1,242,135,572
Liabilities:			
Current	7,794,150	7,896,900	7,896,900
Premiums paid in advance	3,712,143	3,400,000	3,100,000
Operating reserves:			
Policy reserves	936,037,554	919,200,000	903,200,000
Reserve for future instalments on matured contracts	203,945,541	207,500,000	211,000,000
Reserve for total disability	12,052,138	12,000,000	11,950,000
Reserve for dividends declared	13,727,871	45,000,000	12,500,000
Policy claims currently outstanding	5,575,926	5,500,000	5,400,000
Total liabilities	1,182,845,323	1,200,496,900	1,155,046,900
Government investment:			
Retained earnings (reserve for contingencies)	140,555,063	98,129,672	87,088,672
Total liabilities and investment	1,323,400,386	1,298,626,572	1,242,135,572

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash and U. S. securities	$1,218,451,445	$1,201,415,925	$1,178,520,091	$1,124,630,091
Obligated balance net:				
Current liabilities	1,213,163,715	1,182,845,323	1,200,496,900	1,155,046,900
Accounts receivable (net) and cash in transit (−)	−2,106,009	−1,802,813	−2,426,481	−2,375,481
Total obligated balance	1,211,057,706	1,181,042,510	1,198,070,419	1,152,671,419
Unobligated balance	7,393,739	20,373,415	−19,550,328	−28,041,328

Object Classification

	1957 actual	1958 estimate	1959 estimate
12 Pensions, annuities, and insurance claims	$64,026,957	$115,688,720	$82,200,000
16 Investments and loans (policy loans)	22,432,860	20,500,000	18,550,000
Total program (obligations)	86,459,817	136,188,720	100,750,000
Less items not processed through Treasury	30,177,310	28,113,791	26,200,000
Net program (obligations)	56,282,507	108,074,929	74,550,000

GENERAL SERVICES ADMINISTRATION

PERSONAL PROPERTY ACTIVITIES

Advances for Supplies and Expenses, United Nations Korean Reconstruction Agency

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Returned to United Nations Korean Reconstruction Agency (total program costs—obligations)	$122,837		
Financing:			
Unobligated balance brought forward	122,837		

Object Classification

13 Refunds, awards, and indemnities	$122,837		

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GENERAL SERVICES ADMINISTRATION—Con.

RECORDS ACTIVITIES

FRANKLIN D. ROOSEVELT LIBRARY FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$3	$2,119	$4,100
Other	48,472	36,600	34,800
Total operating costs	48,475	38,719	38,900
Depreciation included above (—)	−1,338	−1,600	−1,800
Other cost included above not requiring funding (—)	−251		
Total operating costs, funded	46,886	37,119	37,100
Capital outlay: Purchase of equipment	931	2,000	2,000
Total program costs, funded	47,817	39,119	39,100
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)			−4,100
Obligations incurred for costs of other years, net	436	7,363	
Total program (obligations)	48,253	46,482	35,000
Financing:			
Amounts becoming available: Receipts from operations	31,772	33,000	34,000
Unobligated balance brought forward	187,690	171,209	157,727
Total amounts available	219,462	204,209	191,727
Unobligated balance carried forward	−171,209	−157,727	−156,727
Financing applied to program	48,253	46,482	35,000

Admission fees and proceeds from sale of publications and reproductions are available for purchase of equipment and historical materials, publication of guides, and reproduction of library materials (53 Stat. 1062–1066).

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories	$422	$419	$8,300	$4,200
Unpaid undelivered orders	79	518		
Total selected resources	501	937	8,300	4,200
Selected resources at start of year (—)		−501	−937	−8,300
Costs financed from obligations of other years, net (—)				−4,100
Obligations incurred for costs of other years, net		436	7,363	

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense:			
Acquisition of equipment	$931	$2,000	$2,000
Purchase of publications for resale		10,000	
Other expense	46,902	35,000	33,000
Increase in selected working capital	135	142	
Total gross expenditures	47,968	47,142	35,000
Receipts from operations (funds provided):			
Revenue	31,671	33,000	34,000
Adjustment of prior year net income	19		
Proceeds from sale of equipment	101		
Total receipts from operations	31,791	33,000	34,000
Trust expenditures	16,177	14,142	1,000

Revenue, Expense, and Retained Earnings

Revenue	$31,671	$33,000	$34,000
Expense	48,243	38,719	38,900
Net operating loss (—)	−16,572	−5,719	−4,900
Nonoperating income or loss (—):			
Proceeds from sale of equipment	101		
Net book value of assets sold (—)	−352		
Net nonoperating loss (—)	−251		
Net loss (—) for the year	−16,823	−5,719	−4,900

Revenue, Expense, and Retained Earnings—Continued

	1957 actual	1958 estimate	1959 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$201,560	$184,756	$179,037
Adjustment of prior year transaction affecting working capital	19		
Retained earnings, end of year	184,756	179,037	174,137

Financial Condition

Assets:			
Cash with Treasury	$176,169	$162,027	$161,027
Accounts receivable, net	1,059	1,000	1,000
Inventory	419	8,300	4,200
Equipment, net	12,610	13,010	13,210
Total assets	190,257	184,337	179,437
Liabilities:			
Current	5,501	5,300	5,300
Government investment:			
Retained earnings	184,756	179,037	174,137

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$192,346	$176,169	$162,027	$161,027
Obligated balance, net:				
Current liabilities	5,478	5,501	5,300	5,300
Unpaid undelivered orders	79	518		
Accounts receivable, net, and cash in transit (—)	−901	−1,059	−1,000	−1,000
Total obligated balance	4,656	4,960	4,300	4,300
Unobligated balance	187,690	171,209	157,727	156,727

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	6	5	5
	Average number of all employees	5	5	5
	Number of employees at end of year	6	5	5
	Average GS grade and salary	6.7 $5,185	6.6 $5,270	6.6 $5,331
01	Personal services:			
	Permanent positions	$27,906	$24,900	$24,900
	Other personal services	255	100	100
	Total personal services	28,251	25,000	25,000
03	Transportation of things	2		
06	Printing and reproduction	3,193	5,000	3,000
07	Other contractual services	1,688	2,000	2,000
	Services performed by other agencies	3,041		
08	Supplies and materials	10,461	5,119	7,100
09	Equipment	931	1,000	1,000
11	Grants, subsidies, and contributions		1,000	1,000
13	Refunds, awards, and indemnities	250		
	Total program costs	47,817	39,119	39,100
	Costs financed from obligations of other years, net (—)			−4,100
	Obligations incurred for costs of other years, net	436	7,363	
	Total obligations	48,253	46,482	35,000

NATIONAL ARCHIVES TRUST FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$3,351	$8,652	$5,000
Other	44,504	53,000	70,500
Total operating costs	47,855	61,652	75,500
Depreciation included above (—)	−151	−300	−500
Total operating costs, funded	47,704	61,352	75,000
Capital outlay: Purchase of equipment	427	1,000	4,000
Total program costs, funded	48,131	62,352	79,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−$1,546		−$1,000
Obligations incurred for costs of other years, net		$3,348	
Total program (obligations)	46,585	65,700	78,000
Financing:			
Amounts becoming available:			
Receipts from operations	54,585	78,000	103,000
Recovery of prior year obligations	1,281		
Total amounts becoming available	55,866	78,000	103,000
Unobligated balance brought forward	36,173	45,454	57,754
Total amounts available	92,039	123,454	160,754
Unobligated balance carried forward	−45,454	−57,754	−82,754
Financing applied to program	46,585	65,700	78,000

The Archivist of the United States furnishes for a fee, copies of records in the custody of the National Archives that are not exempt from examination as confidential or protected by subsisting copyright (44 U. S. C. 399).

Admission fees and proceeds from sale of reproductions at the Truman Library also are deposited to this fund and available for certain expenses of the library (44 U. S. C. 397).

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories	$8,479	$5,652	$9,000	$8,000
Selected resources at start of year (−)		−8,479	−5,652	−9,000
Increase or decrease (−) in selected resources		−2,827	3,348	−1,000
Adjustment due to recovery of prior year obligations		1,281		
Costs financed from obligations of other years, net (−)		−1,546		−1,000
Obligations incurred for costs of other years, net			3,348	

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense:			
Acquisition of equipment	$427	$1,000	$4,000
Purchases of publications for resale	524	12,000	4,000
Other expense	45,634	52,700	70,000
Increase in selected working capital	1,159		
Total gross expenditures	47,744	65,700	78,000
Receipts from operations (funds provided):			
Revenue	54,585	78,000	103,000
Adjustment of prior years' revenue	1,281		
Decrease in selected working capital		39	500
Total receipts from operations	55,866	78,039	103,500
Trust expenditures	−8,122	−12,339	−25,500

Revenue, Expense, and Retained Earnings

Revenue	$54,585	$78,000	$103,000
Expense	49,136	61,652	75,500
Net income for the year	5,449	16,348	27,500
Analysis of retained earnings:			
Retained earnings, beginning of year	46,816	53,546	69,894
Adjustment of prior year transaction affecting working capital	1,281		
Retained earnings, end of year	53,546	69,894	97,394

Financial Condition

Assets:			
Cash with Treasury	$48,415	$60,754	$86,254
Accounts receivable, net	1,977	2,000	2,000
Inventories for sale	5,652	9,000	8,000
Equipment, net	2,440	3,140	6,640
Total assets	58,484	74,894	102,894
Liabilities:			
Current	4,938	5,000	5,500
Government investment:			
Retained earnings	53,546	69,894	97,394

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash with Treasury	$40,293	$48,415	$60,754	$86,254
Obligated balance, net:				
Current liabilities	5,756	4,938	5,000	5,500
Accounts receivable, net and cash in transit (−)	−1,636	−1,977	−2,000	−2,000
Total obligated balance	4,120	2,961	3,000	3,500
Unobligated balance	36,173	45,454	57,754	82,754

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	8	10	13
	Average number of all employees	8	10	13
	Number of employees at end of year	7	10	13
	Average GS grade and salary	4.1 $3,873	4.5 $3,942	4.7 $3,953
01	Personal services:			
	Permanent positions	$28,352	$38,850	$50,800
	Positions other than permanent	1,635		
	Other personal services	413	150	200
	Total personal services	30,400	39,000	51,000
03	Transportation of things	110	100	100
04	Communication services	532	600	800
06	Printing and reproduction	119		
07	Other contractual services	7,779	2,000	4,000
08	Supplies and materials	8,481	17,152	15,800
09	Equipment	427	1,000	4,000
11	Grants, subsidies, and contributions		2,300	3,000
13	Refunds, awards, and indemnities	100		
15	Taxes and assessments	183	200	300
	Total program costs	48,131	62,352	79,000
	Costs financed from obligations of other years, net (−)	−1,546		−1,000
	Obligations incurred for costs of other years, net		3,348	
	Total obligations	46,585	65,700	78,000

Other Records Activities Trust Funds

Program and Financing

NOTE.—The following schedule includes unobligated balance for "Franklin D. Roosevelt Library gift fund."

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
National Archives gift fund: Preparation of microfilm publications (total obligations)	$35,983	$50,000	$58,000
Financing:			
Unobligated balance brought forward	33,777	48,155	53,155
Receipts	50,361	55,000	55,000
Unobligated balance carried forward	−48,155	−53,155	−50,155
Total financing	35,983	50,000	58,000

National Archives gift fund.—The National Archives trust fund board receives and administers donations for the benefit of the National Archives (44 U. S. C. 300cc).

Franklin D. Roosevelt Library gift fund.—The board of trustees of the Franklin D. Roosevelt Library accepts and administers gifts and bequests of personal property as trust funds for the benefit of the library (53 Stat. 1062–1066).

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	5	7	7
	Average number of all employees	4	6	7
	Number of employees at end of year	5	7	7
	Average GS grade and salary	3.0 $3,566	6.3 $5,285	6.3 $5,302
01	Personal services:			
	Permanent positions	$14,784	$29,655	$36,855
	Other personal services	237	145	145
	Total personal services	15,021	29,800	37,000

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GENERAL SERVICES ADMINISTRATION—Con.

RECORDS ACTIVITIES—Continued

OTHER RECORDS ACTIVITIES TRUST FUNDS—Continued

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
02	Travel		$3,000	$3,000
03	Transportation of things	$116	200	200
04	Communication services	352	400	500
06	Printing and reproduction		1,000	1,000
07	Other contractual services	10,288	4,000	4,000
08	Supplies and materials	10,106	10,000	10,000
11	Grants, subsidies, and contributions		1,500	2,200
13	Refunds, awards, and indemnities	100	100	100
	Total obligations	35,983	50,000	58,000

HOUSING AND HOME FINANCE AGENCY

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SECONDARY MARKET OPERATIONS (TRUST REVOLVING FUND)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operations (obligations):			
Mortgage servicing fees	$3,478,898	$7,930,000	$10,400,000
Other	2,084,466	2,300,000	2,200,000
Interest on borrowings from public	16,868,719	55,984,251	76,250,000
Interest on borrowings from Treasury	5,517,406	3,000,000	3,000,000
Income tax equivalent	5,848,335	6,336,000	7,470,000
Dividends on common stock held by public	298,392	600,000	800,000
Dividends on preferred stock held by Treasury	1,151,330	2,530,000	2,760,000
Total operations	35,247,546	78,680,251	102,880,000
Capital outlay (obligations): Mortgage loan commitments	1,139,937,909	583,889,739	464,750,000
Total program (obligations)	1,175,185,455	662,569,990	567,630,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Mortgage loan repayments and sales	21,818,290	63,625,000	117,450,000
Interest on mortgage loans	31,401,014	72,385,000	98,550,000
Other revenue	7,702,137	9,200,000	7,575,000
Sale of common stock to public	17,666,817	14,575,000	10,300,000
Total amounts becoming available	78,588,258	159,785,000	233,875,000
Unobligated balance brought forward (authorization to expend from debt receipts)	820,239,359	123,642,162	585,857,172
Additional authorization to expend from debt receipts	400,000,000	965,000,000	
Total amounts available	1,298,827,617	1,248,427,162	819,732,172
Unobligated balance carried forward (authorization to expend from debt receipts)	−123,642,162	−585,857,172	−252,102,172
Financing applied to program	1,175,185,455	662,569,990	567,630,000

These operations were authorized by the Housing Act of 1954 in order to provide limited liquidity for Government insured and guaranteed mortgages and to improve the distribution of investment capital available for home financing. Mortgage purchases, under these operations, are financed by proceeds from (1) subscription by the Treasury in 1955 of $92.8 million in preferred stock (increased in 1957 to $142.8 million and estimated to be increased in 1959 by $10 million), (2) sale of debentures to the public, or to the Secretary of the Treasury (the Secretary of the Treasury may hold not more than $2.25 billion of such debentures), and (3) mandatory subscription by mortgage sellers to the Association's common stock. Government management is intended to be transitional to be succeeded by wholly private operation when the Government investment can be retired. The present interim program, financed by private as well as Government investment, is treated as a trust fund. Operations are discussed in part II of the budget in connection with the program's general fund financing and effect on budget expenditures.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$993,365,403	$684,800,000	$489,750,000
Expense	27,327,375	69,030,000	91,500,000
Income tax equivalent	5,848,335	6,336,000	7,470,000
Dividends:			
On preferred stock held by Treasury	1,151,330	2,530,000	2,760,000
On common stock held by public	298,392	600,000	800,000
General fund financing: Repayment of borrowings to Treasury	963,968,870	591,233,814	335,000,000
Total gross expenditures	1,991,959,705	1,354,529,814	927,280,000
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales	21,818,290	63,625,000	117,450,000
Sales of common stock to public	17,666,817	14,575,000	10,300,000
Income	39,103,151	81,585,000	106,125,000
Decrease in selected working capital	19,992,741	24,590,833	13,405,000
General fund financing:			
Purchase of preferred stock by Treasury	50,000,000		10,000,000
Borrowings from Treasury	872,721,374	590,000,000	335,000,000
Total receipts from operations	1,021,302,373	774,375,833	592,280,000
Trust expenditures	970,657,332	580,153,981	335,000,000

Revenue, Expense, and Retained Earnings

Revenue	$39,103,151	$81,585,000	$106,125,000
Expense	27,845,777	69,390,000	91,750,000
Net income before income tax equivalent	11,257,374	12,195,000	14,375,000
Income tax equivalent	5,848,335	6,336,000	7,470,000
Net income for the year	5,409,039	5,859,000	6,905,000
Analysis of retained earnings:			
Retained earnings, beginning of year	641,622	4,600,939	7,329,939
Dividends:			
On preferred stock held by Treasury (−)	−1,151,330	−2,530,000	−2,760,000
On common stock held by public (−)	−298,392	−600,000	−800,000
Retained earnings, end of year	4,600,939	7,329,939	10,674,939
The above is distributed as follows:			
Trust investment	$1,182,621	$2,098,344	$3,550,755
Government investment	3,418,318	5,231,595	7,124,184

Financial Condition

Assets:			
Cash with Treasury	$51,763,981	$51,500,000	$51,500,000
U. S. securities: Federal Housing Administration debentures on hand	6,250	6,250	6,250
Accounts receivable	5,233,696	8,500,000	12,000,000
Deferred charges	665,749	850,000	1,200,000
Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	1,197,022,597	1,817,837,597	2,189,887,597
Total assets	1,254,692,273	1,878,693,847	2,254,593,847
Liabilities:			
Current liabilities	29,107,690	57,149,078	74,404,078
Debentures payable	1,050,110,000	1,630,000,000	1,965,000,000
Total liabilities	1,079,217,690	1,687,149,078	2,039,404,078
Net trust investment and Government investment:			
Trust investment:			
Common stock issued or subscribed:			
Start of year	7,152,708	24,819,525	39,394,525
Increase during year	17,666,817	14,575,000	10,300,000
End of year	24,819,525	39,394,525	49,694,525
Retained earnings	1,182,621	2,098,344	3,550,755
Total trust investment	26,002,146	41,492,869	53,245,280
Government investment:			
Interest-bearing capital:			
Start of year	94,481,310	3,233,814	2,000,000
Borrowings from Treasury during year, net	−91,247,496	−1,233,814	
End of year	3,233,814	2,000,000	2,000,000
Non-interest-bearing capital (preferred stock issued):			
Start of year	92,820,305	142,820,305	142,820,305
Issued during year	50,000,000		10,000,000
End of year	142,820,305	142,820,305	152,820,305

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Financial Condition—Continued

	1957 actual	1958 estimate	1959 estimate
Net trust investment and Government investment—Continued			
Government investment—Continued			
Retained earnings	$3,418,318	$5,231,595	$7,124,184
Total Government investment	149,472,437	150,051,900	161,944,489
Total trust and Government investment	175,474,583	191,544,769	215,189,769

NOTE.—Obligations other than liabilities (mortgage purchase acceptances and standby commitments outstanding) June 30, 1957, $200,910,261; 1958, $100,000,000; 1959, $75,000,000.

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance:				
Cash and U. S. securities	$72,317,563	$51,770,231	$51,506,250	$51,506,250
Authorization to expend from debt receipts	905,518,690	1,346,766,186	2,313,000,000	2,303,000,000
Total unexpended balance	977,836,253	1,398,536,417	2,364,506,250	2,354,506,250
Obligated balance, net:				
Current liabilities	4,233,563	29,107,690	57,149,078	74,404,078
Debentures issued to public	100,000,000	1,050,110,000	1,630,000,000	1,965,000,000
Mortgage purchase commitments	54,337,755	200,910,261	100,000,000	75,000,000
Accounts receivable (−)	−974,424	−5,233,696	−8,500,000	−12,000,000
Total obligated balance	157,596,894	1,274,894,255	1,778,649,078	2,102,404,078
Unobligated balance	820,239,359	123,642,162	585,857,172	252,102,172

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

AGRICULTURAL RESEARCH SERVICE TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(*a*) Inspection and certification of animal foods and inedible agricultural products	$87,671	$88,600	$88,600
(*b*) Identification service for meat and other products	29,703	51,500	51,500
(*c*) Contract specification work on meat and meat food products	386,299	140,600	140,600
2. Expenses, feed and attendants for animals in quarantine	19,365	24,197	21,000
3. Miscellaneous contributed funds	184,485	266,241	234,866
Total obligations	707,523	571,138	536,566
Financing:			
Unobligated balance brought forward	245,407	290,265	173,497
Receipts:			
Expenses and refunds, inspection and grading of farm products	529,432	280,700	280,700
Expenses, feed and attendants for animals in quarantine	22,224	21,000	21,000
Miscellaneous contributed funds	200,725	152,670	210,845
Unobligated balance carried forward	−290,265	−173,497	−149,476
Total financing	707,523	571,138	536,566

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

1. *Inspection and certification fees* provide for (*a*) inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce; (*b*) identification and marking of divided portions of meat, meat byproducts, and meat food products previously federally inspected and so marked in order that divided portions will bear Federal marks; and (*c*) examinations of meat and meat food products in federally inspected meat-packing plants for compliance with contract specifications (7 U. S. C. 1622h, 1624).

2. *Expenses of providing feed and attendants for animals in quarantine* are paid from fees advanced by importers (21 U. S. C. 102).

3. *Miscellaneous contributed funds* received from States, local organizations, individuals, and others are available for work under cooperative agreements on miscellaneous production and utilization research activities, plant quarantine inspection, and cooperative plant pest control activities (5 U. S. C. 67, 563).

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	20	19	19
	Full-time equivalent of all other positions	4	7	9
	Average number of all employees	25	30	31
	Number of employees at end of year	16	19	17
	Average GS grade and salary	7.1 $5,269	7.3 $5,318	7.3 $5,328
	Average salary of ungraded positions	$3,753	$3,762	$3,780
01	Personal services:			
	Permanent positions	$99,173	$109,497	$109,200
	Positions other than permanent	10,210	21,146	28,817
	Other personal services	6,594	10,932	9,893
	Total personal services	115,977	141,575	147,910
02	Travel	29,596	28,150	25,550
03	Transportation of things	901	1,626	726
04	Communication services	565	650	350
05	Rents and utility services	11,004	10,500	10,500
06	Printing and reproduction	155	195	95
07	Other contractual services	13,111	14,087	11,723
	Services performed by other agencies	501,593	282,242	279,991
08	Supplies and materials	28,532	78,393	53,782
09	Equipment	5,782	2,118	118
11	Grants, subsidies, and contributions		5,348	5,279
13	Refunds, awards, and indemnities	736	5,959	
15	Taxes and assessments	546	875	1,122
	Subtotal	708,498	571,718	537,146
	Deduct quarters and subsistence charges	975	580	580
	Total obligations	707,523	571,138	536,566

EXTENSION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous contributed funds (total obligations)	$3,468	$2,010	$2,010
Financing:			
Unobligated balance brought forward	652		
Receipts	2,816	2,010	2,010
Total financing	3,468	2,010	2,010

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Average number of all employees	1		
	Number of employees at end of year	0		
	Average GS grade and salary	13.0 $9,205		
01	Personal services: Positions other than permanent	$283		
02	Travel	2,816	$2,010	$2,010
06	Printing and reproduction	326		
08	Supplies and materials	43		
	Total obligations	3,468	2,010	2,010

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DEPARTMENT OF AGRICULTURE—Continued

SOIL CONSERVATION SERVICE

Soil Conservation Service Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Technical services and other assistance, agricultural conservation program	$7,167,244	$7,500,000	$7,500,000
2. Miscellaneous contributed funds	322,504	250,000	325,000
Total obligations	7,489,748	7,750,000	7,825,000
Financing:			
Unobligated balance brought forward	3,190,586	3,268,956	3,318,956
Receipts:			
Technical services and other assistance, agricultural conservation program	7,334,086	7,500,000	7,500,000
Miscellaneous contributed funds	234,032	300,000	300,000
Unobligated balance carried forward	−3,268,956	−3,318,956	−3,293,956
Total financing	7,489,748	7,750,000	7,825,000

1. *Technical services and other assistance, agricultural conservation program.*—Funds are advanced to Soil Conservation Service from the agricultural conservation program appropriation on the basis of agreements with individual county agricultural stabilization and conservation committees for technical assistance in formulating and carrying out agricultural conservation cost-sharing programs in participating counties. This assistance is over and above that which would be furnished to farmers and ranchers under the regular soil conservation programs with soil conservation districts (71 Stat. 337; 16 U. S. C. 590k).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	268	280	283
Full time equivalent of all other positions	444	485	491
Average number of all employees	1,427	1,487	1,496
Number of employees at end of year	839	851	860
Average GS grade and salary	6.3 $4,805	6.3 $4,762	6.3 $4,744
01 Personal services:			
Permanent positions	$4,443,306	$4,557,448	$4,574,500
Positions other than permanent	1,399,569	1,544,522	1,561,200
Other personal services	6,919	9,680	10,500
Total personal services	5,849,794	6,111,650	6,146,200
02 Travel	76,679	83,900	84,000
03 Transportation of things	2,472	1,400	1,800
04 Communication services	1,263	1,425	1,500
05 Rents and utility services	2,141	1,600	1,800
06 Printing and reproduction	2,239	400	700
07 Other contractual services	666,952	761,200	800,000
Services performed by other agencies	69,719	95,375	104,800
08 Supplies and materials	192,991	188,400	184,600
09 Equipment	100		
11 Grants, subsidies, and contributions		292,200	297,000
13 Refunds, awards, and indemnities	600,619	178,900	166,800
15 Taxes and assessments	24,779	33,550	35,800
Total obligations	7,489,748	7,750,000	7,825,000

AGRICULTURAL MARKETING SERVICE

Agricultural Marketing Service Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Cottonseed	$21,924	$23,150	$23,200
(b) Dairy products	1,767,176	1,938,300	1,939,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
1. Expenses and refunds, inspection and grading of farm products—Con.			
(c) Fresh and processed fruits and vegetables	$4,721,152	$5,447,800	$5,522,900
(d) Meat	3,877,846	4,063,700	4,274,200
(e) Naval stores	14,626	16,100	16,300
(f) Poultry products	5,103,482	6,110,800	2,658,700
(g) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities	1,276,122	1,358,000	1,503,700
2. Miscellaneous contributed funds	80,211	148,900	116,150
Total obligations	16,862,539	19,106,750	16,054,154
Financing:			
Unobligated balance brought forward	5,057,884	5,671,962	6,024,112
Receipts:			
Expenses and refunds, inspection and grading of farm products	17,373,962	19,330,000	15,830,000
Miscellaneous contributed funds	102,655	128,900	116,150
Unobligated balance carried forward	−5,671,962	−6,024,112	−5,916,112
Total financing	16,862,539	19,106,750	16,054,150

1. *Expenses and refunds, inspection and grading of farm products.*—An inspection and grading service for farm products is provided upon application of interested parties. These services are supported primarily by fees and, to a limited extent, by direct appropriations to the Agricultural Marketing Service. The schedules reflect expenses paid from fees received (7 U. S. C. 91–99; 1621–1627).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3,334	3,206	2,664
Full-time equivalent of all other positions	117	183	177
Average number of all employees	2,644	2,775	2,392
Number of employees at end of year	2,841	2,568	2,630
Average GS grade and salary	7.2 $5,258	7.3 $5,298	7.3 $5,312
Average salary of ungraded positions	$3,866	$3,962	$3,962
01 Personal services:			
Permanent positions	$12,467,663	$13,022,103	$11,092,583
Positions other than permanent	438,787	694,785	665,385
Other personal services	968,687	1,123,262	667,472
Total personal services	13,875,137	14,840,150	12,425,440
02 Travel	1,371,435	1,537,150	1,305,150
03 Transportation of things	55,840	81,650	46,150
04 Communication services	241,823	261,300	218,600
05 Rents and utility services	76,862	98,840	90,340
06 Printing and reproduction	99,759	129,000	113,000
07 Other contractual services	663,239	946,415	871,045
Services performed by other agencies	221,267	80,000	
08 Supplies and materials	126,043	172,900	144,900
09 Equipment	93,249	107,500	92,000
11 Grants, subsidies, and contributions		807,125	715,305
13 Refunds, awards, and indemnities	8,534	13,200	8,500
15 Taxes and assessments	29,351	31,520	23,720
Total obligations	16,862,539	19,106,750	16,054,150

COMMODITY STABILIZATION SERVICE

Miscellaneous Contributed Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Miscellaneous contributed funds (total obligations)	$14,142	$35,000	$15,000
Financing:			
Unobligated balance brought forward	7,839	6,323	
Receipts	12,626	28,677	15,000
Unobligated balance carried forward	−6,323		
Total financing	14,142	35,000	15,000

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Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

Object classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$14,142	$35,000	$15,000

FARMERS' HOME ADMINISTRATION

State Rural Rehabilitation Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Acquisition of assets:			
Loan commitments	$12,194,073	$8,600,000	$9,000,000
Other	5,825	4,000	4,000
2. Expenses	801,712	585,500	595,500
3. Funds returned to States	330,486	200,000	200,000
Total obligations	13,332,096	9,389,500	9,799,500
Financing:			
Amounts becoming available:			
Loans repaid	11,330,322	7,690,000	7,800,000
Interest income	1,372,169	1,445,000	1,522,000
Other income	27,327	21,000	26,000
Recovery of prior year obligations	1,445		
Total amounts becoming available	12,731,263	9,156,000	9,348,000
Unobligated balance brought forward	4,475,635	3,874,802	3,641,302
Total amounts available	17,206,898	13,030,802	12,989,302
Unobligated balance carried forward	−3,874,802	−3,641,302	−3,189,802
Financing applied to program	13,332,096	9,389,500	9,799,500

These funds are administered by the Farmers' Home Administration, under agreements with 40 individual States, for use in carrying out titles I and II of the Bankhead-Jones Farm Tenant Act. In these States, operating-type loans are made at 5% interest. In some States, farm ownership type loans are made from these funds and insured under the regular Farmers' Home Administion insured loan program at 3½% plus a 1% insurance charge. The entire assets of the 40 State corporations are being administered by the Farmers' Home Administration, with the exception of $4,595,117 in cash returned to States which is not covered by an agreement.

Actual and estimated volume for 1956, 1957, 1958, and 1959 is as follows:

LOAN OPERATIONS

	Operating		*Farm ownership*	
	Number	*Amount*	*Number*	*Amount*
1956	5,881	$9,607,131	145	$1,598,741
1957	2,086	3,383,703	721	8,810,370
1958	1,520	2,400,000	535	6,200,000
1959	1,520	2,400,000	560	6,600,000

The stepped-up volume of farm ownership loans in 1957 resulted from a shortage of funds from private lenders for insured farm ownership loans. The reduction in the volume of operating loans for 1957, 1958, and 1959 results from utilizing a larger portion of the limited funds which are available for insured farm ownership loans.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$11,729,928	$8,600,000	$9,000,000
Other acquisition	5,825	4,000	4,000
Expense	791,412	850,500	850,500
Assets returned to States	330,486	200,000	200,000
Total gross expenditures	12,857,651	9,654,500	10,054,500

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	$11,330,322	$7,690,000	$7,800,000
Proceeds from sale of acquired property	1,444	5,500	5,500
Judgments repaid	18,011	15,000	20,000
Revenue	1,380,041	1,445,500	1,522,500
Decrease in selected working capital	189,279	160,500	160,500
Total receipts from operations	12,919,097	9,316,500	9,508,500
Trust expenditures	−61,446	338,000	546,000

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$1,380,041	$1,445,500	$1,522,500
Expense	898,504	713,500	713,500
Net operating income	481,537	732,000	809,000
Nonoperating income or loss (−):			
Sale of acquired property:			
Proceeds from cash sales	1,444	5,500	5,500
Loans in kind	1,900	5,000	15,000
Net book value of assets sold (−)	−1,355	−10,800	−20,800
Net nonoperating income or loss (−)	1,989	−300	−300
Net income for the year	483,526	731,700	808,700
Deficit (−), beginning of year	−4,815,563	−4,332,037	−3,600,337
Deficit (−), end of year	−4,332,037	−3,600,337	−2,791,637

Financial Condition

Assets:			
Cash with Treasury	$2,721,203	$2,383,203	$1,837,203
U. S. securities (par)	217,000	217,000	217,000
Accounts receivable, net	1,552,436	1,656,936	1,751,436
Loans receivable, net	27,056,684	26,839,184	27,781,684
Acquired security or collateral	147	847	1,547
Real estate acquired through foreclosure	46,340	36,340	16,340
Judgments, net	33,084	25,084	12,084
Total assets	31,626,894	31,158,594	31,617,294
Liabilities:			
Current	50,272	50,272	50,272
Investment of States:			
Start of year	36,796,642	35,908,659	34,708,659
Assets transferred under trust agreement during year, net	−887,983	−1,200,000	−350,000
End of year	35,908,659	34,708,659	34,358,659
Deficit (−)	−4,332,037	−3,600,337	−2,791,637
Total investment of States	31,576,622	31,108,322	31,567,022

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Cash with Treasury and U. S. securities (unexpended balance)	$2,876,757	$2,938,203	$2,600,203	$2,054,203
Obligated balance, net:				
Current liabilities	60,828	50,272	50,272	50,272
Undisbursed loan commitments	101,420	565,565	565,565	565,565
Accounts receivable, net and cash in transit (−)	−1,761,126	−1,552,436	−1,656,936	−1,751,436
Total obligated balance	−1,598,878	−936,599	−1,041,099	−1,135,599
Unobligated balance	4,475,635	3,874,802	3,641,302	3,189,802

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	91	77	77
Average number of all employees	88	94	92
Number of employees at end of year	80	90	90
Average GS grade and salary	5.5 $4,510	5.6 $4,566	5.6 $4,585
01 Personal services:			
Permanent positions	$395,633	$419,425	$414,710
Positions other than permanent	232		
Other personal services		1,600	1,550
Total personal services	395,865	421,025	416,260
02 Travel	44,963	43,400	46,000

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DEPARTMENT OF AGRICULTURE—Continued

FARMERS' HOME ADMINISTRATION—Continued

STATE RURAL REHABILITATION FUNDS—Continued

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$5,808	$6,000	$6,000
Services performed by other agencies	61,852	68,875	70,000
11 Grants, subsidies, and contributions		25,600	26,640
13 Refunds, awards, and indemnities	330,486	200,000	200,000
15 Taxes and assessments	57	100	100
16 Investments and loans	12,194,073	8,600,000	9,000,000
Undistributed charges	298,992	24,500	34,500
Total obligations	13,332,096	9,389,500	9,799,500

OFFICE OF INFORMATION

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Miscellaneous contributed funds	$1,926	$2,071	
2. Prior year advances returned	3,542		
Total obligations	5,468	2,071	
Financing:			
Unobligated balance brought forward	7,266	2,071	
Receipts	273		
Unobligated balance carried forward	−2,071		
Total financing	5,468	2,071	

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$197		
03 Transportation of things	371	$600	
04 Communications	1		
06 Printing and reproduction	8		
07 Other contractual services: Services performed by other agencies	998	1,000	
08 Supplies and materials	351	471	
13 Refunds, awards, and indemnities	3,542		
Total obligations	5,468	2,071	

FOREST SERVICE

FOREST SERVICE TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Cooperative work:			
(a) Construction and maintenance of roads and trails	$993,378	$950,000	$950,000
(b) Construction and maintenance of other improvements	366,562	400,000	400,000
(c) Protection of national forests and adjacent private land	2,158,773	2,000,000	2,000,000
(d) Sale area betterment and scaling	7,796,713	9,720,000	9,720,000
(e) Research investigations	815,886	850,000	850,000
(f) Administration	59,855	60,000	60,000
(g) Reforestation	11,992	20,000	20,000
2. Miscellaneous contributed funds	18,950	19,712	
3. Technical services and other assistance, agricultural conservation program	1,894	10,000	10,000
Total obligations	12,224,003	14,029,712	14,010,000

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$17,194,902	$15,176,197	$13,149,279
Receipts:			
Cooperative work	10,196,198	12,000,000	13,000,000
Technical services and other assistance, agricultural conservation program	9,100	2,794	10,000
Unobligated balance carried forward	−15,176,197	−13,149,279	−12,149,279
Total financing	12,224,003	14,029,712	14,010,000

1. *Cooperative work.*—Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (16 U. S. C. 498, 572, 572a, 576b, 581; 31 U. S. C. 725s).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

3. *Technical services and other assistance, agricultural conservation program.*—Funds are advanced to the Forest Service from the agricultural conservation program appropriation on the basis of agreements with individual county agricultural stabilization and conservation committees for technical assistance in formulating and carrying out the forestry portion of the agricultural conservation cost-sharing programs in participating counties (71 Stat. 337; 16 U. S. C. 590k).

Object Classification

	1957 actual	1958 estimate	1959 estimate
FOREST SERVICE			
Total number of permanent positions	807	908	908
Full-time equivalent of all other positions	1,587	1,772	1,772
Average number of all employees	2,369	2,642	2,642
Number of employees at end of year	3,673	3,780	3,780
Average GS grade and salary	6.7 $5,025	6.7 $5,085	6.7 $5,086
Average salary of ungraded positions	$4,329	$4,405	$4,405
01 Personal services:			
Permanent positions	$3,446,169	$4,066,374	$4,066,374
Positions other than permanent	4,518,082	5,146,028	5,146,028
Other personal services	181,284	213,375	213,375
Total personal services	8,145,535	9,425,777	9,425,777
02 Travel	68,134	108,600	118,600
03 Transportation of things	50,280	59,522	59,500
04 Communication services	49,311	60,242	60,200
05 Rents and utility services	97,200	101,146	101,100
06 Printing and reproduction	26,237	8,585	13,600
07 Other contractual services	902,791	914,243	914,200
Services performed by other agencies	904,358	927,156	927,200
08 Supplies and materials	1,075,701	1,070,625	1,240,023
09 Equipment	402,398	329,791	399,800
10 Lands and structures	442,883	415,800	430,800
11 Grants, subsidies, and contributions		269,491	280,100
13 Refunds, awards, and indemnities	180,881	149,265	149,300
15 Taxes and assessments	93,656	104,801	104,800
Subtotal	12,439,365	13,945,044	14,225,000
Deduct quarters and subsistence charges	219,625	215,332	215,000
Total, Forest Service	12,219,740	13,729,712	14,010,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$338		
08 Supplies and materials	50		
10 Lands and structures	3,875	$300,000	
Total, Department of Commerce	4,263	300,000	
Total obligations	12,224,003	14,029,712	$14,010,000

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DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

Special Statistical Work

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Special statistical studies:			
(a) Age and citizenship searches	$633,350	$635,000	$635,000
(b) Other	1,312,210	855,509	891,981
2. General administration	231,224	259,491	223,019
Total obligations	2,176,784	1,750,000	1,750,000
Financing:			
Unobligated balance brought forward	465,369	747,679	500,000
Advances and reimbursements from other accounts	76,347	18,055	18,000
Receipts	2,382,747	1,484,266	1,732,000
Unobligated balance carried forward	−747,679	−500,000	−500,000
Total financing	2,176,784	1,750,000	1,750,000

The Bureau performs special statistical work, at cost, for individuals and firms requesting such data. In addition, the Bureau furnishes age and citizenship data from past census records on a fee basis. Funds received for these purposes are used to pay expenses incurred in performance of such work (5 U. S. C. 606; 12 U. S. C. 1701e; 13 U. S. C. 8, 218; 15 U. S. C. 189a, 192).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	250	250	250
Full-time equivalent of all other positions	164	85	85
Average number of all employees	410	330	330
Number of employees at end of year	454	450	450
Average GS grade and salary	6.4 $5,070	6.5 $5,100	6.4 $5,110
Average salary of ungraded positions	$4,265	$4,728	$4,728
01 Personal services:			
Permanent positions	$1,080,752	$1,080,500	$1,080,500
Positions other than permanent	558,975	290,000	290,000
Other personal services	114,540	40,000	40,000
Total personal services	1,754,267	1,410,500	1,410,500
02 Travel	125,453	109,500	109,500
03 Transportation of things	6,492	4,000	4,000
04 Communication services	23,654	18,000	18,000
05 Rents and utility services	27,679	20,000	20,000
06 Printing and reproduction	63,640	50,000	50,000
07 Other contractual services	10,042	7,000	7,000
Services performed by other agencies	2,072		
Payments to miscellaneous receipts	45,921	30,000	30,000
08 Supplies and materials	22,974	15,000	15,000
09 Equipment	9,546	1,000	1,000
11 Grants, subsidies, and contributions		40,000	40,000
13 Refunds, awards, and indemnities	64,178	30,000	30,000
15 Taxes and assessments	20,866	15,000	15,000
Total obligations	2,176,784	1,750,000	1,750,000

CIVIL AERONAUTICS ADMINISTRATION

Gifts and Donations

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Installation, operation, and maintenance of air-navigation facilities	$122,146	$300,000	$100,000
2. Returned to donor	23,912		
Total obligations	146,058	300,000	100,000
Financing:			
Unobligated balance brought forward	10,688	189,369	
Receipts	324,739	110,631	100,000
Unobligated balance carried forward	−189,369		
Total financing	146,058	300,000	100,000

This fund includes advance payments from States, counties, and municipalities for the establishment of air-navigation and related facilities, as may be required in the public interest (49 U. S. C. 452). In addition, amounts received from private sources for the maintenance and operation of air-navigation and related facilities are credited to this fund, and expended through the pertinent appropriations.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	9		
Average number of all employees	10		
Number of employees at end of year	7		
Average GS grade and salary	9.1 $5,895		
01 Personal services:			
Permanent positions	$56,460		
Other personal services	2,287		
Total personal services	58,747		
02 Travel	5,364		
03 Transportation of things	943		
04 Communication services	371		
05 Rents and utility services	66		
06 Printing and reproduction	27		
07 Other contractual services	49,884	$117,000	$100,000
08 Supplies and materials	5,259		
09 Equipment	1,485	183,000	
13 Refunds, awards, and indemnities	23,912		
Total obligations	146,058	300,000	100,000

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Business and Defense Services Administration Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Special studies and reports	$13,956	$10,000	$10,000
2. Preparation of transcripts of studies, tables, and other records	142,457	202,711	200,000
Total obligations	156,413	212,711	210,000
Financing:			
Unobligated balance brought forward	52,431	132,711	130,000
Receipts:			
Special statistical work	13,281	10,000	10,000
Expenses, transcripts of studies, tables, and other records	223,412	200,000	200,000
Unobligated balance carried forward	−132,711	−130,000	−130,000
Total financing	156,413	212,711	210,000

1. *Special studies and reports.*—Statistical reports based on Administration data are prepared at the expense of the requesting public (15 U. S. C. 192).

2. *Preparation of transcripts of studies, tables, and other records.*—Proceeds from the sale of reports and documents are used for their reproduction and dissemination (31 U. S. C. 725s; 15 U. S. C. 189a, 192).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$2,177		
02 Travel	35		
03 Transportation of things	10		
04 Communication services	84		
06 Printing and reproduction	4,434	$4,000	$4,000
07 Other contractual services	7,216	6,000	6,000
Services performed by other agencies	142,457	202,711	200,000
Total obligations	156,413	212,711	210,000

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DEPARTMENT OF COMMERCE—Continued

BUREAU OF FOREIGN COMMERCE

SPECIAL STATISTICAL WORK

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Returned to donors (total obligations)	$769		
Financing:			
Unobligated balance brought forward	769		
Object Classification			
13 Refunds, awards, and indemnities	$769		

MARITIME ACTIVITIES

UNITED STATES MERCHANT MARINE ACADEMY, KINGS POINT, N. Y., DONATIONS FOR CHAPEL AND LIBRARY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$2,033	$5,150	$180,150
U. S. securities (par)	423,650	423,650	423,650
Receipts	3,117	175,000	25,000
Unobligated balance carried forward:			
Cash	−5,150	−180,150	−205,150
U. S. securities (par)	−423,650	−423,650	−423,650
Total financing			

Contributions from private sources are accepted toward the cost of construction of a chapel and library at the Merchant Marine Academy, Kings Point, N. Y. (68 Stat. 1050; 62 Stat. 172).

BUREAU OF PUBLIC ROADS

HIGHWAY TRUST FUND

NOTE.—The supporting detail of the above item is shown in the Department of Commerce chapter in part II, p. 421.

OTHER BUREAU OF PUBLIC ROADS TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Cooperative work, forest highways	$258,653	$580,000	$245,000
2. Equipment supplies, etc., for cooperating countries	2,579,917	3,500,000	3,000,000
3. Technical assistance, United States dollars advanced from foreign governments	1,199,872	1,500,000	1,500,000
4. Contributed funds, highways for Alaska		1,507,419	1,350,000
5. Funds contributed for improvement of roads, bridges, and trails, Alaska	474,309		
Total obligations	4,512,751	7,087,419	6,095,000
Financing:			
Unobligated balance brought forward	288,103	201,073	
Receipts:			
Cooperative work, forest highways	255,302	572,186	245,000
Equipment, supplies, etc., for cooperating countries	2,579,917	3,500,000	3,000,000
Technical assistance, United States dollars advanced from foreign governments	922,934	1,500,000	1,500,000
Contributed funds, highways for Alaska	193,259	1,314,160	1,350,000
Funds contributed for improvement of roads, bridges, and trails, Alaska	474,309		
Unobligated balance carried forward	−201,073		
Total financing	4,512,751	7,087,419	6,095,000

1. *Cooperative work, forest highways.*—Contributions are received from States and counties in connection with cooperative engineering, survey, maintenance, and construction projects for forest highways (42 Stat. 212, 218).

2. *Equipment, supplies, etc., for cooperating countries.*—In connection with the construction of the Inter-American Highway, the Bureau acts as agent for the cooperating Central American Republics in purchase of equipment, supplies, and services (55 Stat. 860).

3. *Technical assistance, United States dollars advanced from foreign governments.*—Under the Foreign Economic Assistance Act and under agreement with the International Bank for Reconstruction and Development, the Bureau renders technical assistance and acts as agent for the purchase of equipment and materials for carrying out highway programs in foreign countries. During the current year, these services are being rendered for Ethiopia, Iran, Nicaragua, Philippines, and Turkey (68 Stat. 841–861).

4. *Contributed funds, highways for Alaska.*—The Territory of Alaska contributes funds each year in an amount of not less than 10% of Federal funds apportioned to it. These funds are expended in conjunction with Federal funds apportioned to the Territory for construction and maintenance of roads within Federal-aid systems (70 Stat. 374). This now includes work formerly carried on under activity 5 above.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	35	67	64
Full-time equivalent of all other positions	4	14	12
Average number of all employees	37	77	71
Number of employees at end of year	40	97	92
Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01 Personal services:			
Permanent positions	$230,024	$417,000	$396,000
Positions other than permanent	20,369	78,500	70,500
Other personal services	66,530	84,500	75,500
Total personal services	316,923	580,000	542,000
02 Travel	34,162	37,000	35,000
03 Transportation of things	99,900	140,000	140,000
04 Communication services	458	1,000	1,000
05 Rents and utility services	864	12,000	11,000
06 Printing and reproduction	89		
07 Other contractual services	136,641	1,165,000	882,000
08 Supplies and materials	519,065	755,000	935,000
09 Equipment	549,062	750,000	731,000
10 Lands and structures	2,857,867	3,730,119	2,902,000
11 Grants, subsidies, and contributions		23,000	22,000
13 Refunds, awards, and indemnities	161		
15 Taxes and assessments	1,848	4,300	4,000
Subtotal	4,517,040	7,197,419	6,205,000
Deduct quarters and subsistence charges	4,289	110,000	110,000
Total obligations	4,512,751	7,087,419	6,095,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
"Cooperative work," Forest Service, Department of Agriculture (trust fund).
"Contributed funds," Bureau of Land Management, Department of the Interior (trust fund).

NATIONAL BUREAU OF STANDARDS

GIFTS AND BEQUESTS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research:			
(a) Basic	$33,781	$100,000	$100,000
(b) Applied	17,060	53,063	55,000
2. Development	16,525	35,000	35,000
3. Testing, calibration, and specifications	1,621	5,000	5,000
4. General technical services	1,467	5,000	5,000
Total obligations	70,454	198,063	200,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$106,751	$173,063	$100,000
Receipts	136,766	125,000	150,000
Unobligated balance carried forward	−173,063	−100,000	−50,000
Total financing	70,454	198,063	200,000

This trust fund is maintained to account for gifts or bequests for the purpose of aiding or facilitating the work of the National Bureau of Standards (15 U. S. C. 278c).

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$70,454	$198,063	$200,000

Advances and Reimbursements (Trust Fund)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Preservation of documents for the Library of Congress (total obligations)	$1,681	$1,531	
Financing:			
Unobligated balance brought forward	212	31	
Advances and reimbursements from other accounts	1,500	1,500	
Unobligated balance carried forward	−31		
Total financing	1,681	1,531	

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$1,681	$1,531	

WEATHER BUREAU

Special Statistical Work

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Meteorological statistical studies (total obligations)	$31,627	$35,849	
Financing:			
Unobligated balance brought forward	10,287	11,200	
Receipts	32,540	24,649	
Unobligated balance carried forward	−11,200		
Total financing	31,627	35,849	

Payments are received from non-Government interests for the performance of special statistical studies, usually involving climatological data (49 Stat. 293).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Full-time equivalent of all other positions	4	2	
Average number of all employees	4	2	
Number of employees at end of year	13	1	
01 Personal services: Positions other than permanent	$16,193	$12,650	
02 Travel	815	1,000	
03 Transportation of things	84	250	
05 Rents and utility services	1,000	3,000	
06 Printing and reproduction	556	700	
07 Other contractual services	5,216	6,500	
08 Supplies and materials	7,588	11,650	
15 Taxes and assessments	175	99	
Total obligations	31,627	35,849	

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

DEPARTMENT OF THE ARMY

Department of the Army Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Supplies and expenses, United Nation's Korean Reconstruction Agency	$298,444	$354,109	
2. Bequest of William F. Edgar museum and library, Office of the Surgeon General		43	
3. Bequest of Major General Fred C. Ainsworth library, Walter Reed General Hospital	11	300	$300
4. Kermit Roosevelt fund, Department of the Army	8,147		
5. Department of the Army general gift fund	27,436	5,500	5,500
6. National Guard Armory construction, State contributed fund	102,804		
Total obligations	436,842	359,952	5,800
Financing:			
Unobligated balance brought forward:			
Cash	796,746	496,941	142,774
U. S. securities (par)	9,800	31,300	31,300
Receipts:			
Bequest of Major General Fred C. Ainsworth library, Walter Reed Hospital	428	285	285
Kermit Roosevelt fund, Department of the Army	8,058		
National Guard armory construction, State-contributed funds	101,336		
General gift fund, donations:			
Cash	27,187	5,500	5,500
U. S. securities (par)	21,500		
Recovery of prior year obligations	28		
Unobligated balance carried forward:			
Cash	−496,941	−142,774	−142,759
U. S. securities (par)	−31,300	−31,300	−31,300
Total financing	436,842	359,952	5,800

1. *Supplies and expenses, United Nations Korean Reconstruction Agency.*—Funds advanced by the United Nations Korean Reconstruction Agency are used for the purchase of supplies and services (65 Stat. 376).

3. *Bequest of Maj. Gen. Fred C. Ainsworth library.*—This fund, derived from earnings of the bequest, provides for maintenance of a permanent library of medical books at Walter Reed Hospital known as the Fred C. Ainsworth Endowment Library (31 U. S. C. 725s).

5. *Army general gift fund.*—Donations which are not limited to specific use by the donor are used for Army institutions as determined by the Secretary of the Army (5 U. S. C. 150–q–t).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	1	1	
Average number of all employees	1	1	
Number of employees at end of year	1	1	
Average GS grade and salary	6.0 $4,890	6.0 $4,890	
01 Personal services: Permanent positions	$3,302	$4,890	
03 Transportation of things	252,101	298,292	
08 Supplies and materials	43,041	50,970	
09 Equipment	11	300	$300
10 Lands and structures	102,804		
13 Refunds, awards, and indemnities	35,583	5,500	5,500
Total obligations	436,842	359,952	5,800

DEPARTMENT OF THE NAVY

Department of the Navy Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Naval reservation, Olongapo civic fund	$621,253	$699,032	$656,218

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DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued

DEPARTMENT OF THE NAVY—Continued

DEPARTMENT OF THE NAVY TRUST FUNDS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Program by activities—Continued			
2. U. S. Naval Academy general gift fund	$13,265	$2,000	$2,000
3. U. S. Naval Academy museum fund	13	600	200
4. U. S. Department of the Navy general gift fund		250	1,000
Total obligations	634,531	701,882	659,418
Financing:			
Unobligated balance brought forward:			
Cash	186,994	141,713	161,931
U. S. securities (par)	146,500	146,500	146,500
Receipts:			
Naval reservation, Olongapo civic fund: Taxes	563,012	704,000	644,000
U. S. Naval Academy general gift fund:			
Contributions	5,275	5,000	5,000
Income	2,608	2,000	2,000
U. S. Naval Academy museum fund:			
Contributions	3,613	1,000	1,000
Income	574	600	600
U. S. Department of the Navy general gift fund	50	2,000	1,000
Office of naval records and library fund:			
Contributions	12,688	6,070	6,070
Interest	1,430	1,430	1,430
Unobligated balance carried forward:			
Cash	−141,713	−161,931	−163,613
U. S. securities (par)	−146,500	−146,500	−146,500
Total financing	634,531	701,882	659,418

1. *Naval Reservation, Olongapo civic fund.*—Taxes, fees, and miscellaneous assessments are collected from residents of this reservation in the Republic of the Philippines to cover expenses of operation, maintenance, and improvement of public facilities and the municipal government (including a hospital) (31 U. S. C. 725s).

Activities 2, 3, and 4 consist mostly of donations from individuals, subject to conditions specified by the donor, for the benefit of the Naval Academy, the Naval Academy Museum, and other institutions of the Navy (10 U. S. C. 6973; 10 U. S. C. 6974; 10 U. S. C. 2601).

Object Classification

	1957 actual	1958 estimate	1959 estimate
02 Travel	$250	$1,500	$1,500
07 Other contractual services	621,253	699,282	657,218
08 Supplies and materials	38	600	200
09 Equipment	1,475		
11 Grants, subsidies, and contributions	11,000		
13 Refunds, awards, and indemnities	515	500	500
Total obligations	634,531	701,882	659,418

DEPARTMENT OF THE AIR FORCE

DEPARTMENT OF THE AIR FORCE GENERAL GIFT FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Equipment for Air Force Academy		$1,500	
2. Recreation and entertainment		400	$300
Total obligations		1,900	300
Financing:			
Receipts:			
Donations		1,500	
Royalties		400	300
Total financing		1,900	300

Gifts or bequests, made for certain purposes, may be used for the welfare of the Air Force Academy. Royalty income is used for the welfare of the Air Force Band (10 U. S. C. 2601).

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials		$400	$300
09 Equipment		1,500	
Total obligations		1,900	300

DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

DEPARTMENT OF THE ARMY

RIVERS AND HARBORS AND FLOOD CONTROL

RIVERS AND HARBORS AND FLOOD CONTROL TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction:			
(a) Where required for an authorized Federal project:			
(1) Contributed funds	$9,371,475	$6,396,458	$2,796,729
(2) Advanced funds	53,930	161,731	
(b) Where not required for an authorized Federal project: Contributed funds	5,689,999	10,262,908	6,577,489
2. Maintenance, contributed funds	191,385	62,593	56,100
3. Returned to contributing interests:			
(1) Contributed funds	468,659	406,409	
(2) Advanced funds	1,654,197		
Total program costs	17,429,645	17,290,099	9,430,318
4. Relation of costs to obligations: Costs financed from obligations of other years net (−)	−2,035,131	−2,169,965	−38,762
Total program (obligations)	15,394,514	15,120,134	9,391,556
Financing:			
Unobligated balance brought forward	10,898,785	6,685,769	526,356
Receipts (contributions and advances from local interests)	11,181,498	8,960,721	8,865,200
Unobligated balance carried forward	−6,685,769	−526,356	
Total financing	15,394,514	15,120,134	9,391,556

(1) *Contributed funds.*—Contributions by local interests are used for flood control and river and harbor improvement work for the benefit of the contributing localities (33 U. S. C. 560, 701h, 702f, and 703.)

(2) *Advanced funds.*—Advances from local interests are expended upon authorized river and harbor improvements and are returnable to local interests upon the availability of Federal funds (33 U. S. C. 561).

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received):				
(1) Contributed funds	$4,148,007	$3,215,300	$1,088,762	$1,050,000
(2) Advanced funds	1,145,851	43,422		
Advances (payments for goods and services on order not yet received (advanced funds))		5		
Total selected resources at end of year	5,293,858	3,258,727	1,088,762	1,050,000
Selected resources at start of year (−)		−5,293,858	−3,258,727	−1,088,762
Costs financed from obligations of other years, net (−)		−2,035,131	−2,169,965	−38,762

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	13	11	11
Average number of all employees	11	11	11

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Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Number of employees at end of year	9	11	11
Average GS grade and salary	7.1 $5,396	7.1 $5,419	7.1 $5,444
01 Personal services:			
Permanent positions	$67,501	$60,617	$61,016
Other personal services	1,746	1,983	1,984
Total personal services	69,247	62,600	63,000
02 Travel	2,600	2,390	1,340
04 Communication services	88	40	40
05 Rents and utility services	788	660	660
06 Printing and reproduction	578	610	600
07 Other contractual services	1,559,032	1,814,680	980,480
Services performed by—			
Other agencies	12,723	5,780	5,780
"Revolving fund, Corps of Engineers"	1,815,194	839,635	455,820
08 Supplies and materials	2,062	1,500	1,500
09 Equipment	362	500	500
10 Lands and structures	9,808,984	11,981,380	7,877,836
11 Grants, subsidies, and contributions		3,950	4,000
13 Refunds, awards, and indemnities	2,122,856	406,409	
Total obligations	15,394,514	15,120,134	9,391,556

Advances and Reimbursements, Rivers and Harbors and Flood Control (Trust Fund)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Consultant services: Department of State (total obligations)		$2,485	
Financing:			
Unobligated balance brought forward	$2,485	2,485	
Unobligated balance carried forward	−2,485		
Total financing		2,485	

Object Classification

07 Other contractual services		$2,485	

Administration, Ryukyu Islands

PROCEEDS OF REMITTANCES TO AND EXPORTS FROM RYUKYU ISLANDS, ARMY

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Imports financed (total obligations)	$1,347	$2,310	
Financing:			
Unobligated balance brought forward	−218,588	−217,241	−$214,931
Unobligated balance carried forward	217,241	214,931	214,931
Total financing	1,347	2,310	

The proceeds of remittances to and exports from the Ryukyu Islands are available to finance approved imports to this territory and to pay claims.

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$1,347	$2,310	

United States Soldiers' Home

LIMITATION ON OPERATION AND MAINTENANCE AND CAPITAL OUTLAY

NOTE.—The supporting detail of the above item is shown in the Department of Defense—Civil Functions chapter in part II.

SOLDIERS' HOME PERMANENT FUND

Amounts Available for Transfer

	1957 actual	1958 estimate	1959 estimate
Balance brought forward	$70,990,159	$77,542,988	$84,404,868
Receipts:			
Stoppages, fines and forfeitures	8,448,188	7,500,000	6,500,000
Estates of deceased soldiers and airmen	292,656	200,000	200,000
Withheld pay	1,631,649	1,559,880	1,559,800
Interest credited	2,161,386	2,300,000	2,600,000
All other	665,611	50,000	50,000
Unobligated balance returned	4,443	10,000	
Total available	84,194,092	89,162,868	95,314,668
Transfer to—			
"Limitation on operation and maintenance and capital outlay"	−6,643,000	−4,750,000	−5,178,000
"Payment of certified claims"	−8,104	−8,000	−8,000
Balance carried forward	77,542,988	84,404,868	90,128,668

This fund consists of receipts from fines, forfeitures, and stoppages of pay of regular enlisted personnel of the Army and Air Force, withholding of 10 cents per month from the pay of such personnel, estates of deceased soldiers and airmen, other receipts consisting largely of sales and interest of 3% on fund balance. The receipts and the balance are available for obligation and expenditure through the maintenance and operation account only as authorized annually by Congress (24 U. S. C. 44, 45; 31 U. S. C. 725s).

PAYMENT OF CLAIMS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of certified claims (total obligations)	$8,104	$8,000	$8,000
Financing:			
Receipts from "Soldiers' Home permanent fund"	8,104	8,000	8,000

Refunds are made from the permanent fund of amounts of court-martial fines and other charges erroneously deducted from the pay of soldiers and airmen after adjudication of claims therefor by the General Accounting Office (31 U. S. C. 71 and 711 (12); 24 U. S. C. 44).

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$8,104	$8,000	$8,000

UNITED STATES SOLDIERS' HOME REVOLVING FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Sales program: Cost of goods sold	$87,049	$90,000	$94,000
Adjustment of prior year expense	−155		
Total operating costs	86,894	90,000	94,000
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−8,568	−10,000	−8,000
Total program (obligations)	78,326	80,000	86,000
Financing:			
Amounts becoming available: Sale of commodities	87,049	90,000	94,000
Unobligated balance brought forward	6,788	15,511	15,511
Total amounts available	93,837	105,511	109,511

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DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS—Continued

DEPARTMENT OF THE ARMY—Continued

UNITED STATES SOLDIERS' HOME REVOLVING FUND—continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:—Continued			
Transfer to "Soldiers' Home permanent fund"		−$10,000	
Unobligated balance carried forward	−$15,511	−15,511	−$23,511
Financing applied to program	78,326	80,000	86,000

Budget program.—This fund finances, on a reimbursable basis, inventories of household, maintenance and office supplies, and minor equipment for use in the operating activities of the United States Soldiers' Home. The fund does not finance medical supplies, clothing, subsistence, or major equipment.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Inventories	$28,884	$134,597	$124,597	$116,597
Unpaid undelivered orders	16,576	16,576	16,576	16,576
Total selected resources at end of year	45,460	151,173	141,173	133,173
Selected resources at start of year (−)		−45,460	−151,173	−141,173
Increase or decrease (−) in selected resources		105,713	−10,000	−8,000
Property or services transferred in (−) without charge, net		−114,281		
Costs financed from obligations of other years, net (−)		−8,568	−10,000	−8,000

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Expense: Purchase of commodities for sale	$78,326	$80,000	$86,000
Increase in selected working capital	125		
Total gross expenditures	78,451	80,000	86,000
Receipts from operations (funds provided):			
Revenue	87,049	90,000	94,000
Trust expenditures	−8,598	−10,000	−8,000

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$87,049	$90,000	$94,000
Expense	87,049	90,000	94,000
Net operating income, sales program			
Nonoperating income: Inventory adjustment, net	155		
Analysis of retained earnings:			
Retained earnings, beginning of year	11,699	11,854	1,854
Transfer to Soldiers' Home permanent fund		10,000	
Retained earnings, end of year	11,854	1,854	1,854

Financial Condition

Assets:			
Cash with Treasury	$32,967	$32,967	$40,967
Accounts receivable, net	1,120	1,120	1,120
Commodities for sale	134,597	124,597	116,597
Total assets	168,684	158,684	158,684
Liabilities:			
Current	2,000	2,000	2,000
Net trust investment:			
Start of year	40,549	154,830	154,830
Donated assets	114,281		
End of year	154,830	154,830	154,830
Retained earnings	11,854	1,854	1,854
Total trust investment	166,684	156,684	156,684

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash with Treasury	$24,369	$32,967	$32,967	$40,967
Obligated balance, net:				
Current liabilities	2,000	2,000	2,000	2,000
Unpaid undelivered orders	16,576	16,576	16,576	16,576
Accounts receivable, net (−)	−995	−1,120	−1,120	−1,120
Total obligated balance	17,581	17,456	17,456	17,456
Unobligated balance	6,788	15,511	15,511	23,511

Object Classification

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$23	$50	$50
06	Printing and reproduction	297	350	350
08	Supplies and materials	74,113	75,600	81,100
09	Equipment	3,893	4,000	4,500
	Total obligations	78,326	80,000	86,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FREEDMEN'S HOSPITAL

CONDITIONAL GIFT FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Research		$422	
2. Patients' benefits	$372	1,105	
Total obligations	372	1,527	
Financing:			
Unobligated balance brought forward	1,034	1,527	
Receipts	865		
Unobligated balance carried forward	−1,527		
Total financing	372	1,527	

This trust fund is maintained to account for gifts to Freedmen's Hospital (55 Stat. 187).

Object Classification

		1957 actual	1958 estimate	1959 estimate
08	Supplies and materials	$372	$857	
09	Equipment		670	
	Total obligations	372	1,527	

OFFICE OF EDUCATION

DONATIONS, THE WHITE HOUSE CONFERENCE ON EDUCATION

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to miscellaneous receipts (total obligations)	$80		
Financing:			
Unobligated balance brought forward	80		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Payment to miscellaneous receipts	$80		

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PUBLIC HEALTH SERVICE

Public Health Service Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Patients' benefits	$24,110	$20,000	$20,000
2. Unconditional gifts	1,292	86,000	6,300
3. Conditional gifts	50,641	30,000	19,700
Total obligations	76,043	136,000	46,000
Financing:			
Unobligated balance brought forward:			
Cash	146,502	162,650	81,650
U. S. securities (par)	88,400	83,400	83,400
Receipts:			
Patients' benefits	23,565	20,000	20,000
Unconditional gifts:			
Contributions	14,503	12,206	13,556
Interest	3,142	2,794	2,444
Conditional gifts:			
Contributions	43,999	18,100	16,100
Interest	1,982	1,900	1,900
Unobligated balance carried forward:			
Cash	−162,650	−81,650	−89,650
U. S. securities (par)	−83,400	−83,400	−83,400
Total financing	76,043	136,000	46,000

Gifts to the Public Health Service, some of which are limited to specific uses by the donors, are expended for the benefit of patients at the Public Health Service hospital at Carville, La., for the erection and support of hospitals for sick and disabled seamen and for research or other activities of the Service (42 U. S. C. 219).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	3	2	2
Full-time equivalent of all other positions	1		
Average number of all employees	4	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	6.3 $4,228	6.5 $4,370	6.5 $4,370
01 Personal services:			
Permanent positions	$11,579	$8,740	$8,740
Positions other than permanent	5,113	2,511	
Other personal services		33	33
Total personal services	16,692	11,284	8,773
02 Travel	12,133	8,384	1,850
03 Transportation of things	63	500	
04 Communication services	4,048	4,000	4,000
05 Rents and utility services	522		
06 Printing and reproduction	448	450	450
07 Other contractual services	13,205	1,750	1,750
08 Supplies and materials	17,668	15,412	14,657
09 Equipment	2,341	12,550	7,350
11 Grants, subsidies, and contributions	8,843	81,670	7,170
15 Taxes and assessments	80		
Total obligations	76,043	136,000	46,000

SAINT ELIZABETHS HOSPITAL

Saint Elizabeths Hospital Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Patients' benefit fund	$510	$500	$500
2. Conditional gift fund	150	9,159	
Total obligations	660	9,659	500
Financing:			
Unobligated balance brought forward	7,406	13,185	3,834
Receipts:			
Patients' benefit fund	338	300	300
Conditional gift fund	6,101	8	
Unobligated balance carried forward	−13,185	−3,834	−3,634
Total financing	660	9,659	500

Donations are received and used for patients' benefits as provided by the donors (24 U. S. C. 165).

Object Classification

	1957 actual	1958 estimate	1959 estimate
08 Supplies and materials	$660	$500	$500
09 Equipment		9,159	
Total obligations	660	9,659	500

SOCIAL SECURITY ADMINISTRATION

Limitation on Salaries and Expenses, Bureau of Old-Age and Survivors Insurance

Limitation on Construction, Bureau of Old-Age and Survivors Insurance

Note.—The supporting detail of the above items are shown in the Department of Health, Education, and Welfare chapter in part II.

OFFICE OF THE SECRETARY

Advances and Reimbursements (Trust Fund)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Defense planning (total obligations)	$653		
2. Prior year advances returned		$97	
Financing:			
Advances and reimbursements from Federal old-age and survivors insurance trust fund	750		
Unobligated balance brought forward		97	
Unobligated balance carried forward	−97		
Total financing	653	97	

Object Classification

	1957 actual	1958 estimate	1959 estimate
01 Personal services: Positions other than permanent	$653		
13 Refunds, awards, and indemnities		$97	

DEPARTMENT OF THE INTERIOR

BONNEVILLE POWER ADMINISTRATION

Construction of Electric Transmission Lines and Substations, Contributions, Bonneville Power Project

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Construction	$722,945	$774,821	$450,000
2. Returned to donor	2,281		
Total program costs	725,226	774,821	450,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−81,462		−150,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		75,179	
Total program (obligations)	643,764	850,000	300,000
Financing:			
Unobligated balance brought forward	326,415	349,467	499,467
Receipts from contributions for construction	666,816	1,000,000	
Unobligated balance carried forward	−349,467	−499,467	−199,467
Total financing	643,764	850,000	300,000

1. *Construction.*—Various public and private utilities advance funds to provide facilities which are not provided by the Administration under its customer service policy. These facilities are of benefit to the Government as well as to the customers and serve to promote greater efficiency

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DEPARTMENT OF THE INTERIOR—Continued

BONNEVILLE POWER ADMINISTRATION—Continued

CONSTRUCTION OF ELECTRIC TRANSMISSION LINES AND SUBSTATIONS, CONTRIBUTIONS, BONNEVILLE POWER PROJECT—Continued

on the system, reduce loads on existing facilities, and improve service to customers. Also, non-Federal groups advance funds for relocating facilities of the Administration as required for highway construction and other purposes (50 Stat. 736).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1956, $306,283; 1957, $224,821; 1958, $300,000; 1959, $150,000.

Object Classification

		1957 actual	1958 estimate	1959 estimate
03	Transportation of things	$699		
07	Other contractual services: Services performed by other accounts	225,960	$350,000	$125,000
08	Supplies and materials	59,094	100,000	50,000
09	Equipment	28,144	50,000	25,000
10	Lands and structures	327,586	350,000	100,000
13	Refunds, awards, and indemnities	2,281		
	Total obligations	643,764	850,000	300,000

BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Contributed funds	$200,894	$281,000	$330,000
2. Expenses, public survey work	25,356	25,000	25,000
3. Trustee funds, Alaska townsites	31,463	33,000	25,000
Total obligations	257,713	339,000	380,000
Financing:			
Unobligated balance brought forward	286,093	376,623	387,623
Receipts:			
Contributed funds	271,192	300,000	300,000
Expenses, public survey work	31,333	25,000	25,000
Trustee funds, Alaska townsites	45,718	25,000	25,000
Unobligated balance carried forward	−376,623	−387,623	−357,623
Total financing	257,713	339,000	380,000

1. *Contributed funds.*—Users of the Federal range contribute funds toward administration and protection of grazing districts and for construction and maintenance of range improvements. Contributions are also received for making surveys and for maintenance of access roads (43 U. S. C. 315h and i, 775).

2. *Expenses, public survey work.*—Advances are made by individuals to pay the cost incident to surveys of lands requested by them (31 U. S. C. 711; 43 U. S. C. 759, 761, and 887; Comp. Gen. Dec. of Aug. 31, 1931; 48 Stat. 1224–1236).

3. *Trustee funds, Alaska townsites.*—Amounts received from sale of Alaska town lots are available for expenses incident to the maintenance and sale of townsites (31 U. S. C. 725s; Comp. Gen. Dec. of Nov. 18, 1935).

Object Classification

		1957 actual	1958 estimate	1959 estimate
	BUREAU OF LAND MANAGEMENT			
	Average number of all employees	15	16	16
	Number of employees at end of year	16	17	17
01	Personal services: Positions other than permanent	$45,682	$50,500	$51,000
02	Travel	3,339	4,750	5,000
03	Transportation of things	508	900	1,000
04	Communication services	114	160	200
06	Printing and reproduction	480	450	500

Object Classification—Continued

		1957 actual	1958 estimate	1959 estimate
	BUREAU OF LAND MANAGEMENT—con.			
07	Other contractual services	$42,349	$50,500	$51,000
08	Supplies and materials	57,168	61,740	62,000
09	Equipment	7,977	9,000	9,000
10	Lands and structures	14,491	27,000	27,000
13	Refunds, awards, and indemnities	35,240	47,200	47,500
15	Taxes and assessments	758	800	800
	Total, Bureau of Land Management	208,106	253,000	255,000
	ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
	Total number of permanent positions	2	8	8
	Full-time equivalent of all other positions	1	2	2
	Average number of all employees	2	8	8
	Number of employees at end of year	3	5	5
	Average GS grade and salary	7.6 $5,648	7.6 $5,664	7.8 $5,784
01	Personal services:			
	Permanent positions	$1,962	$36,500	$36,500
	Positions other than permanent	5,447	8,000	8,000
	Other personal services	317	2,500	2,500
	Total personal services	7,726	47,000	47,000
02	Travel	109	500	500
03	Transportation of things	83	200	200
04	Communication services	3	50	50
05	Rents and utility services	38		
07	Other contractual services	6,476	15,200	54,200
08	Supplies and materials	20,298	20,000	20,000
10	Lands and structures	14,874		
11	Grants, subsidies, and contributions		3,050	3,050
	Total, Bureau of Public Roads	49,607	86,000	125,000
	Total obligations	257,713	339,000	380,000

BUREAU OF INDIAN AFFAIRS

INDIAN MONEYS, PROCEEDS OF LABOR, AGENCIES, SCHOOLS, ETC.

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Support of schools	$376,542	$462,060	$242,393
2. Support of agency functions	2,861,467	2,915,297	2,903,470
Total program costs	3,238,009	3,377,357	3,145,863
Property or services transferred out without charge, net	410,493		
Total program costs, funded	3,648,502	3,377,357	3,145,863
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	−32,433		
Total program (obligations)	3,616,069	3,377,357	3,145,863
Financing:			
Unobligated balance brought forward	1,065,949	1,265,599	1,038,242
Receipts from sales of products and services	3,815,719	3,150,000	3,110,000
Unobligated balance carried forward	−1,265,599	−1,038,242	−1,002,379
Total financing	3,616,069	3,377,357	3,145,863

Miscellaneous revenues derived from Indian reservations, agencies, and schools, which are not required to be otherwise disposed of, are used for the support of schools and agency functions (44 Stat. 560).

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)		$118,503	$118,503	$118,503
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$375,081	154,857	154,857	154,857
Advances (payments for goods and services on order not yet received)		705	705	705
Work in process (goods and services to be costed to activities when completed)		16,254	16,254	16,254
Total selected resources at end of year	375,081	290,319	290,319	290,319
Selected resources at start of year (−)		−375,081	−290,319	−290,319
Adjustment of selected resources reported at start of year		52,329		
Costs financed from obligations of other years, net (−)		−32,433		

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Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	367	363	346
Full-time equivalent of all other positions	47	35	35
Average number of all employees	350	366	348
Number of employees at end of year	491	459	449
Average GS grade and salary	3.8 $3,623	3.9 $3,761	3.8 $3,742
Average salary of ungraded positions	$4,233	$4,318	$4,318
01 Personal services:			
Permanent positions	$1,243,599	$1,389,595	$1,315,041
Positions other than permanent	169,186	125,956	125,732
Other personal services	84,869	94,375	94,041
Total personal services	1,497,654	1,609,926	1,534,814
02 Travel	28,693	26,942	20,786
03 Transportation of things	168,284	125,906	111,288
04 Communication services	199,252	171,768	150,047
05 Rents and utility services	287,289	285,699	280,166
06 Printing and reproduction	1,593	590	590
07 Other contractual services	209,705	200,280	185,871
08 Supplies and materials	1,115,768	776,117	726,898
09 Equipment	128,233	106,554	61,885
11 Grants, subsidies, and contributions	1,292	86,850	84,183
15 Taxes and assessments	15,756	17,632	15,959
Subtotal	3,653,519	3,408,264	3,172,487
Deduct quarters and subsistence charges	37,450	30,907	26,624
Total obligations	3,616,069	3,377,357	3,145,863

Indian Tribal Funds

Note.—The supporting detail of the above item is shown in the Department of the Interior chapter in part II.

BUREAU OF RECLAMATION

Reclamation Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Investigations, construction, etc.:			
(a) General investigations	$237,256	$180,893	$1,000
(b) Yuma project, auxiliary division, Arizona	9,070		
(c) Solano project, California		45,000	
(d) Ventura project, California	45,239	4,537	
(e) Colorado-Big Thompson project, Colorado	18,399	41,601	
(f) Boise project, Idaho	245	700	
(g) Palisades project, Idaho	5,300		
(h) Minidoka project, Idaho-Wyoming	2,876	3,000	3,000
(i) North Platte project, Nebraska-Wyoming	18,736		
(j) Middle Rio Grande project, New Mexico	65,856	75,400	
(k) Columbia Basin project, Washington	1,511	100,000	
(l) Okanogan project, Washington	56	100	
(m) Yakima project, Kennewick division, Washington	10,665		
(n) Kendrick project, Wyoming	900		
(o) Colorado River Storage project and participating projects: Glen Canyon unit, Arizona-Utah	300,000	1,335,000	
(p) Missouri River Basin:			
Glendo unit, Wyoming		285,000	
Transmission division	5,000	130,000	
(q) Soil and moisture conservation operations		8,700	20,000
(r) Other	30,764	22,000	10,000
Total program costs	751,873	2,231,931	34,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−25,049	
Obligations incurred for costs of other years, net	21,176		
Total program (obligations)	773,049	2,206,882	34,000
Financing:			
Unobligated balance brought forward	222,735	262,250	
Receipts	738,565	1,944,632	34,000
Advances and reimbursements from other accounts	73,999		
Unobligated balance carried forward	−262,250		
Total financing	773,049	2,206,882	34,000

Funds are advanced by State and local governments for investigations and construction (43 U. S. C. 395, 396).

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,873	$20,512		
Service facilities (acquisition value of facilities less depreciation charged to project cost)		4,537		
Total selected resources at end of year	3,873	25,049		
Selected resources at start of year (−)		−3,873	−$25,049	
Costs financed from obligations of other years, net (−)			−25,049	
Obligations incurred for costs of other years, net		21,176		

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	12	18	5
Full-time equivalent of all other positions	1		
Average number of employees	16	23	6
Number of employees at end of year	8	7	1
Average GS grade and salary	7.0 $5,283	7.2 $5,387	7.3 $5,527
Average salary of ungraded positions	$4,733	$4,931	$5,038
01 Personal services:			
Permanent positions	$76,685	$111,620	$23,570
Positions other than permanent	5,119		
Other personal services		35	30
Total personal services	81,804	111,655	23,600
02 Travel	1,394	5,300	100
03 Transportation of things	1,548	800	40
04 Communication services	486	400	80
05 Rents and utility services	311	100	40
06 Printing and reproduction	1,628	900	250
07 Other contractual services	185,247	311,943	5,070
08 Supplies and materials	24,360	31,790	3,110
09 Equipment	569	400	170
10 Lands and structures	354,754	1,731,489	
11 Grants, subsidies, and contributions		4,105	1,540
13 Refunds, awards, and indemnities	120,827	7,850	
15 Taxes and assessments	121	150	
Total obligations	773,049	2,206,882	34,000

GEOLOGICAL SURVEY

Advances, Authorized Services

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Surveys, investigations, and research (total obligations)	$912,331	$1,000,000	$1,000,000
Financing:			
Unobligated balance brought forward	432,289	438,359	438,359
Receipts	918,401	1,000,000	1,000,000
Unobligated balance carried forward	−438,359	−438,359	−438,359
Total financing	912,331	1,000,000	1,000,000

Approximately 30 States and Territories, or their political subdivisions, advance money for cooperative surveys, investigations, and research of the Geological Survey. Such advances are used to reimburse the appropriation for surveys, investigations, and research, Geological Survey, as work is performed (43 U. S. C. 48).

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$912,331	$1,000,000	$1,000,000

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DEPARTMENT OF THE INTERIOR—Continued

BUREAU OF MINES

CONTRIBUTED FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
1. Bituminous coal	$222,293	$189,000	$188,000
2. Petroleum, natural gas, and oil shale	192,248	230,230	229,500
3. Ferrous metals	158,099	52,000	7,000
4. Nonferrous metals	249,520	53,295	40,100
5. Nonmetallic minerals	3,684		
6. Control of fires in coal deposits	75,962	90,000	90,000
Total program costs	901,806	614,525	554,600
7. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−26,702		
Total program (obligations)	875,104	614,525	554,600
Financing:			
Unobligated balance brought forward	285,115	303,412	188,887
Receipts	893,401	500,000	500,000
Unobligated balance carried forward	−303,412	−188,887	−134,287
Total financing	875,104	614,525	554,600

Funds contributed by States, counties, municipalities, and private sources are used to conduct research and investigations to promote (*a*) the conservation and development of mineral resources and (*b*) health and safety in the mineral industries (71 Stat. 262). The year-end balances of unpaid undelivered orders are as follows: 1956, $82,225; 1957, $55,523; 1958, $55,523; 1959, $55,523.

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	110	75	67
Full-time equivalent of all other positions	6	4	4
Average number of all employees	107	76	68
Number of employees at end of year	103	83	70
Average GS grade and salary	7.6 $5,612	7.7 $5,719	7.7 $5,773
Average salary of ungraded positions	$4,479	$4,560	$4,808
01 Personal services:			
Permanent positions	$582,432	$415,000	$374,000
Positions other than permanent	26,379	16,500	17,500
Other personal services	15,484	3,500	3,500
Total personal services	624,295	435,000	395,000
02 Travel	12,413	14,000	11,000
03 Transportation of things	3,055	3,000	2,500
04 Communication services	4,162	3,000	2,000
05 Rents and utility services	14,867	7,000	6,000
06 Printing and reproduction	565	1,000	1,000
07 Other contractual services	67,763	79,000	75,000
08 Supplies and materials	74,190	28,125	22,700
09 Equipment	6,885	10,000	7,000
10 Lands and structures	12,992	7,000	7,000
11 Grants, subsidies, and contributions		26,000	24,000
13 Refunds, awards, and indemnities	51,141	100	100
15 Taxes and assessments	2,776	1,300	1,300
Total obligations	875,104	614,525	554,600

NATIONAL PARK SERVICE

NATIONAL PARK SERVICE TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. National Park Service, donations	$899,667	$751,380	$1,108,874
2. National Park trust fund	1,038	2,500	2,500
3. Preservation, birthplace of Abraham Lincoln	$207	$250	$250
Total obligations	900,912	754,130	1,111,624
Financing:			
Unobligated balance brought forward:			
Cash	1,046,692	991,212	791,660
U. S. securities (par)	81,900	82,925	82,925
Receipts:			
National Park Service, donations	836,222	550,000	1,050,000
National Park trust fund:			
Contributions	8,173	2,500	2,500
Interest on investments	477	493	493
Preservation, birthplace of Abraham Lincoln (interest)	1,585	1,585	1,585
Unobligated balance carried forward:			
Cash	−991,212	−791,660	−734,614
U. S. securities (par)	−82,925	−82,925	−82,925
Total financing	900,912	754,130	1,111,624

1. *National Park Service, donations.*—The Secretary of the Interior accepts and uses donated moneys for purposes of the National Park and Monument system (16 U. S. C. 6). Donations amounting to $836,222 were received from 24 contributors during 1957. Of that amount, $400,000 was received from a private foundation which was matched by Federal funds for the purpose of acquiring private in-holdings within the National Park system. It is estimated that $500,000 will be received during 1958 to be matched by Federal funds for the same purpose. It is expected that similar donations will be received during 1959 to be matched by Federal funds whenever possible.

2. *National Park trust fund.*—The National Park Trust Fund Board holds and administers gifts of personal property for the benefit of the National Park Service. Interest accruals or donations to the fund are used for current needs, or invested in U. S. Treasury bonds (16 U. S. C. 6a, 19).

3. *Preservation, birthplace of Abraham Lincoln.*—This fund consists of an endowment given by the Lincoln Farm Association, and the interest thereon is available for preservation of the Abraham Lincoln National Historical Park, Ky. (16 U. S. C. 211, 212).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	8	10	6
Full-time equivalent of all other positions	9	17	4
Average number of all employees	16	26	9
Number of employees at end of year	29	20	10
Average GS grade and salary	7.4 $5,348	7.5 $5,409	7.5 $5,491
Average salary of ungraded positions	$4,176	$4,312	$4,323
01 Personal services:			
Permanent positions	$29,296	$58,230	$27,250
Positions other than permanent	37,003	59,477	25,395
Other personal services	243	224	105
Total personal services	66,542	117,931	52,750
02 Travel	9,858	20,700	10,339
03 Transportation of things	2,697	1,050	400
04 Communication services	1,252	860	315
05 Rents and utility services	1,094	3,060	1,650
06 Printing and reproduction	8,580	2,950	2,550
07 Other contractual services	17,445	87,666	38,799
08 Supplies and materials	5,606	9,576	550
09 Equipment	6,445	5,130	2,000
10 Lands and structures	780,621	501,000	1,000,000
11 Grants, subsidies, and contributions		3,107	1,771
15 Taxes and assessments	772	1,100	500
Total obligations	900,912	754,130	1,111,624

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FISH AND WILDLIFE SERVICE

Bureau of Sport Fisheries and Wildlife

CONTRIBUTED FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Cooperative studies (total obligations)	$144,622	$171,094	$99,330
Financing:			
Unobligated balance brought forward	27,062	72,366	
Receipts	189,926	98,728	99,330
Unobligated balance carried forward	−72,366		
Total financing	144,622	171,094	99,330

This represents contributions from States, local organizations, individuals, etc., for the work of the Bureau of Sport Fisheries and Wildlife (5 U. S. C. 67, 563).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	11	13	12
Full-time equivalent of all other positions	2	3	1
Average number of all employees	15	15	12
Number of employees at end of year	12	12	10
Average GS grade and salary	7.0 $5,129	7.2 $5,207	7.3 $5,287
01 Personal services:			
Permanent positions	$58,410	$59,280	$57,270
Positions other than permanent	11,009	11,750	2,900
Other personal services	855	1,070	330
Total personal services	70,274	72,100	60,500
02 Travel	12,302	10,400	6,400
03 Transportation of things	1,932	2,900	100
04 Communication services	442	1,200	1,280
05 Rents and utility services	497	600	500
06 Printing and reproduction	22		
07 Other contractual services	40,633	54,600	13,050
08 Supplies and materials	15,931	25,294	13,600
09 Equipment	2,007		
11 Grants, subsidies, and contributions		3,900	3,900
13 Refunds, awards, and indemnities	397		
15 Taxes and assessments	185	100	
Total obligations	144,622	171,094	99,330

Bureau of Commercial Fisheries

CONTRIBUTED FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Cooperative studies	$38,249	$96,125	$19,900
2. Sea lamprey control program	595,543	780,907	776,450
Total obligations	633,792	877,032	796,350
Financing:			
Unobligated balance brought forward	27,898	40,682	
Receipts	646,576	836,350	796,350
Unobligated balance carried forward	−40,682		
Total financing	633,792	877,032	796,350

1. *Cooperative studies.*—This represents contributions from States, local organizations, individuals, etc., for the work of the Bureau of Commercial Fisheries.

2. *Sea lamprey control program.*—These funds, from the Great Lakes Fishery Commission, cover the costs of constructing and maintaining the sea lamprey control system on the Great Lakes (5 U. S. C. 67, 563).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	54	70	70
Full-time equivalent of all other positions	17	18	18

Object Classification—Continued

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	61	79	80
Number of employees at end of year	110	120	120
Average GS grade and salary	7.0 $5,044	7.3 $5,218	7.3 $5,243
01 Personal services:			
Permanent positions	$195,547	$262,500	$273,400
Positions other than permanent	73,258	77,000	74,400
Other personal services	9,085	11,100	11,100
Total personal services	277,890	350,600	358,900
02 Travel	35,709	41,900	40,400
03 Transportation of things	2,620	5,200	4,200
04 Communication services	5,875	6,700	6,700
05 Rents and utility services	20,434	44,000	44,000
06 Printing and reproduction	7,803	600	600
07 Other contractual services	20,615	51,300	30,300
08 Supplies and materials	115,925	220,432	177,200
09 Equipment	131,365	116,600	98,250
10 Lands and structures	12,808	14,600	10,000
11 Grants, subsidies, and contributions		22,100	22,800
15 Taxes and assessments	2,748	3,000	3,000
Total obligations	633,792	877,032	796,350

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

Commissary Funds, Federal Prisons

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$1,318,949	$1,400,000	$1,410,000
Other	265,807	299,500	279,500
Total operating costs	1,584,756	1,699,500	1,689,500
Depreciation included above (−)	−4,140	−4,500	−4,500
Total operating costs, funded	1,580,616	1,695,000	1,685,000
Capital outlay: Sales program: Purchase of equipment	27,317	50,000	15,000
Total program costs	1,607,933	1,745,000	1,700,000
Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	50,255		
Total program (obligations)	1,658,188	1,745,000	1,700,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	1,634,341	1,730,000	1,744,000
Other receipts	5,860	6,000	6,000
Total amounts becoming available	1,640,201	1,736,000	1,750,000
Unobligated balance brought forward	227,248	209,261	200,261
Total amounts available	1,867,449	1,945,261	1,950,261
Unobligated balance carried forward	−209,261	−200,261	−250,261
Financing applied to program	1,658,188	1,745,000	1,700,000

Commissaries are operated for the inmates as an earned privilege (Comp. Gen. Dec. July 9, 1931, and Jan. 5, 1932). Tobaccos, candies, toiletries, etc., are sold. Profits are used for general welfare and recreational items for the inmates. Sales for 1959 are estimated at a slight increase over the 1958 estimate. Adequate working capital is assured from retained earnings. Year-end balances of unpaid undelivered orders are as follows: 1956, $80,992; 1957, $131,247.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$27,317	$50,000	$15,000
Expense:			
Purchase of commodities for sale	1,317,016	1,400,000	1,410,000
Other expense	263,600	295,000	275,000
Total gross expenditures	1,607,933	1,745,000	1,700,000

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DEPARTMENT OF JUSTICE—Continued

FEDERAL PRISON SYSTEM—Continued

Commissary Funds, Federal Prisons—Continued

Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Sales program and other income	$1,640,201	$1,736,000	$1,750,000
Decrease in selected working capital	1,104		
Total receipts from operations	1,641,305	1,736,000	1,750,000
Trust expenditures	−33,372	9,000	−50,000

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$1,640,201	$1,736,000	$1,750,000
Expense	1,586,689	1,699,500	1,689,500
Net income for the year	53,512	36,500	60,500
Retained earnings, beginning of year	547,753	601,265	637,765
Retained earnings, end of year	601,265	637,765	698,265

Financial Condition

Assets:			
Cash with Treasury	$267,954	$258,954	$308,954
Accounts receivable, net	146,015	146,015	146,015
Commodities for sale	164,987	164,987	164,987
Structures and equipment, net	95,770	141,270	151,770
Total assets	674,726	711,226	771,726
Liabilities:			
Current	73,461	73,461	73,461
Retained earnings	601,265	637,765	698,265

Status of Certain Fund Balances

	1956 actual	1957 actual	1958 estimate	1959 estimate
Unexpended balance: Cash	$234,582	$267,954	$258,954	$308,954
Obligated balance, net:				
Current liabilities	56,368	73,461	73,461	73,461
Unpaid undelivered orders	80,992	131,247	131,247	131,247
Accounts receivable, net and cash in transit (−)	−130,026	−146,015	−146,015	−146,015
Total obligated balance	7,334	58,693	58,693	58,693
Unobligated balance	227,248	209,261	200,261	250,261

Object Classification

		1957 actual	1958 estimate	1959 estimate
	Total number of permanent positions	50	51	51
	Average number of all employees	49	50	50
	Number of employees at end of year	47	50	50
	Average GS grade and salary	5.7 $4,558	5.8 $4,563	5.8 $4,624
01	Personal services:			
	Permanent positions	$222,622	$228,560	$231,560
	Positions other than permanent	1,162		
	Other personal services	2,753	3,440	3,440
	Total personal services	226,537	232,000	235,000
02	Travel	396	400	400
03	Transportation of things	2,038	2,000	2,000
04	Communication services	8,828	8,800	8,800
07	Other contractual services	14,497	14,500	14,500
08	Supplies and materials	1,371,319	1,415,000	1,402,000
09	Equipment	27,317	50,000	15,000
11	Grants, subsidies, and contributions	162	15,200	15,200
13	Refunds, awards, and indemnities	50	100	100
15	Taxes and assessments	5,604	5,600	5,600
16	Loans to prisoners	1,440	1,400	1,400
	Total obligations	1,658,188	1,745,000	1,700,000

OFFICE OF ALIEN PROPERTY

Limitation on Salaries and Expenses, Alien Property Custodian

Note.—The supporting detail of the above item is shown in the Department of Justice chapter in part II.

Alien Property Fund, World War I

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Program charges (cash basis):			
Claims paid and expense	$1,287		
Transfers to German special deposit account	564		
Transfers to Secretary of the Treasury (70 Stat. 1071–73)	803,919		
Total program charges	805,770		
Financing:			
Amounts becoming available:			
Receipts from liquidation of assets	564		
Decrease in selected working capital	705,230		
Total amounts becoming available	705,794		
Unexpended balance brought forward	99,976		
Financing applied to program	805,770		

Property seized by the Government from German nationals was held pending final settlement of claims (50 U. S. C. app.). During fiscal year 1957, all funds, certificates, and other assets, amounting to $58.2 million, were transferred to the Secretary of the Treasury pursuant to Public Law 1007 (70 Stat. 1071–73).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Claims paid and expenses	$1,287		
Transfers to German special deposit account	564		
Transfers to Secretary of the Treasury (70 Stat. 1071–73)	803,919		
Total gross expenditures	805,770		
Receipts from operations (funds provided):			
Liquidation of assets	564		
Decrease in selected working capital	705,230		
Total receipts from operations	705,794		
Trust expenditures	99,976		

Changes in U. S. Interest in Vested Property

Credits: Receipts from liquidation of assets	$564
Charges:	
Claims paid and expense	1,287
Transfers to German special deposit account	564
Transfers to Secretary of the Treasury (70 Stat. 1071–73):	
Cash with Treasury	98,689
Cash with Secretary of the Treasury	705,230
Treasury participation certificates	57,434,529
Other assets	5
Assets written off	2
Total charges	58,240,306
Net excess of charges (−)	−58,239,742
Balance at beginning of year	58,239,742
Balance at end of year	

Alien Property Fund, World War II

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Program charges (cash basis):			
Vested property operations:			
Administrative expense	$2,750,671	$2,935,000	$2,500,000
Other operations	31,707,798	23,200,000	14,850,000
Safekeeping property operations	28,857	38,000	33,000
Increase in selected working capital	36,239	29,211	17,000
Total program charges	34,523,565	26,202,211	17,400,000

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Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Amounts becoming available: Receipts:			
Vested property operations	$42,876,421	$103,000,000	$42,000,000
Safekeeping property operations	10,517	26,000	26,000
Total amounts becoming available	42,886,938	103,026,000	42,026,000
Unexpended balance brought forward	110,725,148	119,088,521	195,912,310
Total amounts available	153,612,086	222,114,521	237,938,310
Unexpended balance carried forward	−119,088,521	−195,912,310	−220,538,310
Financing applied to program	34,523,565	26,202,211	17,400,000

Seized property in the United States of the governments or nationals of Germany and Japan, vested in the name of the Attorney General, is prepared for liquidation as soon as practicable (50 U. S. C. App.). During fiscal year 1957 no transfers were made to the war claims fund. The total transferred to date remains at $225 million. In 1957 a total of $2.9 million in claims and settlements was paid from such property operations and it is anticipated that $1.5 million will be paid in 1958 and $5.2 million in 1959. The estimate of interest in vested property on June 30, 1959, reflects increases of $10.7 million from 1958 and $48 million from 1957.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$34,458,469	$26,135,000	$17,350,000
Safekeeping property operations: Charges	28,857	38,000	33,000
Increase in selected working capital	36,239	29,211	17,000
Total gross expenditures	34,523,565	26,202,211	17,400,000
Receipts from operations (funds provided):			
Vested property operations: Credits	42,876,421	103,000,000	42,000,000
Safekeeping property operations: Credits	10,517	26,000	26,000
Total receipts from operations	42,886,938	103,026,000	42,026,000
Trust expenditures	−8,363,373	−76,823,789	−24,626,000

Changes in U. S. Interest in Vested Property

Credits	$42,876,421	$103,000,000	$42,000,000
Charges	34,458,469	26,135,000	17,350,000
Net decrease in vested assets	14,103,706	39,549,470	14,000,000
Total charges	48,562,175	65,684,470	31,350,000
Net excess of charges (−) or credits	−5,685,754	37,315,530	10,650,000
Balance at beginning of year	193,868,506	188,182,752	225,498,282
Balance at end of year	188,182,752	225,498,282	236,148,282

Financial Condition

Assets:			
Cash with Treasury	$119,088,521	$195,912,310	$220,538,310
Accounts receivable	41,093	30,000	10,000
Vested assets at estimated values [1]	69,549,470	30,000,000	16,000,000
Safekeeping property at estimated values	577,258	300,000	100,000
Total assets	189,256,342	226,242,310	236,648,310
Liabilities:			
Current	127,304	87,000	50,000
Liability for safekeeping property	946,286	657,028	450,028
Total liabilities	1,073,590	744,028	500,028
Equity of U. S. Government:			
Non-interest-bearing equity [2]	188,182,752	225,498,282	236,148,282

[1] Estimated values are based on best information available at or near the dates the property was vested or acquired.
[2] Subject to return of cash and property, payment of debt claims, transfers to the war claims fund pursuant to the Trading With the Enemy Act, and the transfer of certain funds to the Treasury under sec. 202 (b) of the International Claims Settlement Act.

Alien Property Fund, Philippines, World War II

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Program charges (cash basis):			
Claims paid	$1,025	$2,000,000	$1,200,000
Transfers to Philippine Government			1,200,000
Expense and other charges	164,987	20,000	10,000
Increase in selected working capital	202,084		
Total program charges	368,096	2,020,000	2,410,000
Financing:			
Amounts becoming available:			
Receipts from vested property operations	420,756	27,000	13,000
Decrease in selected working capital		499,923	832,733
Total amounts becoming available	420,756	526,923	845,733
Unexpended balance brought forward	3,242,082	3,294,742	1,801,665
Total amounts available	3,662,838	3,821,665	2,647,398
Unexpended balance carried forward	−3,294,742	−1,801,665	−237,398
Financing applied to program	368,096	2,020,000	2,410,000

Enemy-owned property in the Philippines is administered for the Philippine Government by the Office of Alien Property in the same manner as funds for World War I and World War II properties (Executive Order 10254). During 1957 no transfers were made to the Philippine Government and none will be made in 1958. It is anticipated that $1.2 million will be transferred in 1959. The following statements include the United States dollar equivalent of currencies of the Philippines which become available without dollar purchase.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$166,012	$2,020,000	$2,410,000
Increase in selected working capital	202,084		
Total gross expenditures	368,096	2,020,000	2,410,000
Receipts from operations (funds provided):			
Vested property operations: Credits	420,756	27,000	13,000
Decrease in selected working capital		499,923	832,733
Total receipts from operations	420,756	526,923	845,733
Trust expenditures	−52,660	1,493,077	1,564,267

Changes in U. S. Interest in Vested Property

Credits	$420,756	$27,000	$13,000
Charges	166,012	2,020,000	2,410,000
Net decrease in vested assets	49,769	7,528	150,000
Total charges	215,781	2,027,528	2,560,000
Net excess of charges (−) or credits	204,975	−2,000,528	−2,547,000
Balance at beginning of year	4,629,951	4,834,926	2,834,398
Balance at end of year	4,834,926	2,834,398	287,398

Financial Condition

Assets:			
Cash with Treasury	$3,294,742	$1,801,665	$237,398
Cash in banks and on hand	1,382,733	882,733	50,000
Vested assets [1]	157,528	150,000	
Total assets	4,835,003	2,834,398	287,398
Liabilities:			
Current	77		
Equity of U. S. Government:			
Non-interest-bearing equity [2]	4,834,926	2,834,398	287,398

[1] Certain assets are carried at nominal values, while others are carried at face amounts.
[2] Subject to return of property and payment of debt claims under the provisions of the Trading With the Enemy Act, and transfer of the remainder to the Philippine Government under the Philippine Property Act of 1946.

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DEPARTMENT OF JUSTICE—Continued

OFFICE OF ALIEN PROPERTY—Continued

INTERNATIONAL CLAIMS SETTLEMENT ACT, TITLE II, FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Program charges (cash basis):			
Transfers to claims funds	$15,315,141	$10,000,000	$1,200,000
Expense	149,031	60,000	30,000
Total program charges	15,464,172	10,060,000	1,230,000
Financing:			
Amounts becoming available:			
Receipts from vested property operations	10,042,081	1,720,000	510,000
Decrease in selected working capital	11,488	3,512	
Total amounts becoming available	10,053,569	1,723,512	510,000
Unexpended balance brought forward	14,722,677	9,312,074	975,586
Total amounts available	24,776,246	11,035,586	1,485,586
Unexpended balance carried forward	−9,312,074	−975,586	−255,586
Financing applied to program	15,464,172	10,060,000	1,230,000

Property in the United States of the governments or nationals of Bulgaria, Hungary, and Rumania, seized pursuant to title II of the International Claims Settlement Act of 1949 (22 U. S. C. 1621), is being vested in the name of the Attorney General like property seized from the governments and nationals of Germany and Japan. As of June 30, 1957, a total of $15.5 million has been vested and liquidated. It is estimated that during 1958 an additional $10 million will be acquired. Funds thus realized are earmarked for payment of war damages and nationalization claims assertable by United States nationals against Bulgaria, Hungary, and Rumania.

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$15,464,172	$10,060,000	$1,230,000
Receipts from operations (funds provided):			
Vested property operations: Credits	10,042,081	1,720,000	510,000
Decrease in selected working capital	11,488	3,512	
Total receipts from operations	10,053,569	1,723,512	510,000
Trust expenditures	5,410,603	8,336,488	720,000

Changes in U. S. Interest in Vested Property

Credits	$10,042,081	$1,720,000	$510,000
Charges	15,464,172	10,060,000	1,230,000
Net decrease in vested assets	1,319,251	27,394	100,000
Total charges	16,783,423	10,087,394	1,330,000
Net excess of charges (−)	−6,741,342	−8,367,394	−820,000
Balance at beginning of year	16,169,322	9,427,980	1,060,586
Balance at end of year	9,427,980	1,060,586	240,586

Financial Condition

Assets:			
Cash with Treasury	$9,312,074	$975,586	$255,586
Vested assets [1]	127,394	100,000	
Total assets	9,439,468	1,075,586	255,586
Liabilities:			
Current	11,488	15,000	15,000
Equity of U. S. Government:			
Non-interest-bearing equity [2]	9,427,980	1,060,586	240,586

[1] Vested assets are stated at estimated values based on best information available at or near the dates the property was vested.

[2] Subject to return of property, payment of debt claims and expenses, and the transfer of the remainder to the Bulgarian, Hungarian, and Rumanian claims funds, pursuant to the provisions of Public Law 285 amending the International Claims Settlement Act of 1949.

ADVANCES AND REIMBURSEMENTS (TRUST FUND)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration (total obligations)	$65,389	$25,000	$25,000
Financing:			
Advances and reimbursements from other accounts	65,389	25,000	25,000

Object Classification

Total number of permanent positions		2		1		1
Full-time equivalent of all other positions		3		1		1
Average number of all employees		9		4		4
Number of employees at end of year		5		3		2
Average GS grade and salary	7.8	$6,101	5.3	$5,250	5.3	$5,250
01 Personal services:						
Permanent positions		$16,615		$3,925		$3,925
Positions other than permanent		38,297		16,995		16,995
Other personal services				80		80
Total personal services		54,912		21,000		21,000
02 Travel		4,775				
04 Communication services		62		200		200
05 Rents and utility services		855		1,000		1,000
06 Printing and reproduction		25				
07 Other contractual services		2,112		200		200
08 Supplies and materials		2,648		1,135		1,135
09 Equipment				100		100
11 Grants, subsidies, and contributions				1,365		1,365
Total obligations		65,389		25,000		25,000

DEPARTMENT OF LABOR

BUREAU OF EMPLOYEES' COMPENSATION

BUREAU OF EMPLOYEES' COMPENSATION TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended:			
(a) Payment of benefits	$15,544	$15,000	$15,000
(b) Administration of rehabilitation	18,500	47,400	47,400
2. Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia	4,752	5,000	5,000
Total obligations	38,796	67,400	67,400
Financing:			
Unobligated balance brought forward:			
Cash	$34,261	$36,365	$4,036
U. S. securities (par)	879,625	882,125	888,625
Receipts:			
Relief and rehabilitation, Longshoremen's and Harbor Workers Compensation Act, as amended:			
Contributions	14,000	14,000	14,000
Interest	19,485	20,571	20,000
Workmen's Compensation Act within the District of Columbia:			
Contributions	4,000	4,000	4,000
Interest	3,002	3,000	3,000
Gain from premium or discount on investments	2,913		
Unobligated balance carried forward:			
Cash	−36,365	−4,036	−7,636
U. S. securities (par)	−882,125	−888,625	−858,625
Total financing	38,796	67,400	67,400

These trust funds consist of amounts received from employers for the death of an employee where no person is entitled to compensation for such death and from fines and penalty payments. In 1957 receipts were $18,000 and interest was $22,487 (33 U. S. C. 908; 31 U. S. C. 725; 33 U. S. C. 944). Receipts are used to pay additional compensation for second injuries resulting in permanent total disability and to provide maintenance for employees undergoing vocational rehabilitation. In addition, under the subactivity "Administration of rehabilitation," provi-

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sion is made for the costs of necessary rehabilitation services not otherwise available to disabled longshoremen and harbor workers.

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services	$18,500	$47,400	$47,400
12 Pensions, annuities, and insurance claims	20,296	20,000	20,000
Total obligations	38,796	67,400	67,400

Advances and Reimbursements (Trust Fund)

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Administration of the District of Columbia Workmen's Compensation Act (total obligations)	$194,398	$209,600	$209,600
Financing:			
Advances and reimbursements from other accounts	194,900	209,600	209,600
Unobligated balance no longer available	−502		
Total financing	194,398	209,600	209,600

Provision is made for administrative expenses involved in providing compensation for disability or death resulting from injury to employees in certain employment in the District of Columbia (36 D. C. Code 501, 502).

WORKLOAD

	1957 actual	*1958 estimate*	*1959 estimate*
New injuries reported	25,986	27,000	27,000
Formal hearings	74	80	80
Informal conferences	1,134	1,200	1,200

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	39	40	40
Average number of all employees	36	38	38
Number of employees at end of year	33	37	37
Average GS grade and salary	4.9 $4,432	5.3 $4,439	5.3 $4,439
01 Personal services:			
Permanent positions	$161,503	$169,151	$168,611
Other personal services	17,421	13,949	13,949
Total personal services	178,924	183,100	182,560
02 Travel	369	400	400
04 Communication services	4,177	4,200	4,200
06 Printing and reproduction	767	800	800
07 Other contractual services	6,030	6,000	6,000
08 Supplies and materials	1,575	1,500	1,500
09 Equipment	2,427	2,500	2,500
11 Grants, subsidies, and contributions		11,000	11,540
15 Taxes and assessments	129	100	100
Total obligations	194,398	209,600	209,600

BUREAU OF LABOR STATISTICS

Special Statistical Work

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Consumer expenditure tabulations	$42,906	$4,750	
2. Consumer price index for Milwaukee	9,306	10,778	
3. Department store inventory price index	20,862	18,100	$4,149
4. Survey of housing characteristics	28,025	4,797	
5. Survey of personnel resources for the blind	7,945		
6. Tabulations of data for gasoline and service stations	603	250	
7. Tabulation of comparison of prices among 19 cities		1,200	
8. Tabulations of professional and economic characteristics of chemists	$350		
Total obligations	109,997	$39,875	$4,149
Financing:			
Unobligated balance brought forward	74,125	13,424	4,149
Receipts	34,300	30,600	
Recovery of prior year obligations	14,996		
Unobligated balance carried forward	−13,424	+4,149	
Total financing	109,997	39,875	4,149

Private organizations request and finance in advance special statistical studies.—During 1958, the Bureau will collect and analyze store inventory prices for the American Retail Federation; continue a consumer price index for the city of Milwaukee; do final work on expenditure tabulations for the University of Pennsylvania and a survey of housing characteristics for the National Association of Home Builders, the Producers Council Inc., the Copper and Brass Research Association, and the University of Pennsylvania; and compare prices among 19 cities for the National Industrial Conference Board (29 U. S. C. 9a, 9b).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Average number of all employees	20	7	1
Number of employees at end of year	5	5	1
01 Personal services:			
Positions other than permanent	$86,266	$31,448	$3,371
Other personal services	1,876	1,500	
Total personal services	88,142	32,948	3,371
02 Travel	6,165	4,100	420
03 Transportation of things	161		
04 Communication services	510	315	50
05 Rents and utility services	9,401	152	
06 Printing and reproduction	3,983	42	
07 Other contractual services	607	70	13
08 Supplies and materials	765	474	75
11 Grants, subsidies, and contributions		1,722	220
15 Taxes and assessments	263	52	
Total obligations	109,997	39,875	4,149

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Foreign Service Retirement and Disability Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to beneficiaries (total obligations—cash outgo)	$2,476,076	$2,700,000	$2,880,000
Financing:			
Unobligated balance brought forward:			
Cash	161,002	140,904	124,904
U. S. securities (par)	19,451,400	22,387,000	24,341,000
Receipts (cash income):			
General fund:			
Employer's contribution	1,304,000	1,667,000	2,025,000
Interest	849,009	976,000	1,061,000
Employees' contribution	3,238,569	1,995,000	1,868,000
Unobligated balance carried forward:			
Cash	−140,904	−124,904	−124,904
U. S. securities (par)	−22,387,000	−24,341,000	−26,415,000
Total financing	2,476,076	2,700,000	2,880,000

This fund is used primarily for the payment of annuities to retired Foreign Service officers (22 U. S. C. 1062). It is also used for the refund of contributions made by certain officers who leave the Foreign Service before retirement.

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DEPARTMENT OF STATE—Continued

ADMINISTRATION OF FOREIGN AFFAIRS—Continued

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND—Con.

The fund is maintained through (1) contribution of 5% of the basic annual salaries of all Foreign Service officers; (2) interest on investments; and (3) appropriated funds. It is estimated that approximately 570 annuitants will be paid retirement benefits from this fund during 1959 compared with 520 at the end of 1957 and 545 at the end of 1958. Gratuities represent payments made to officers in classes 4, 5, 6, and 7 who are selected out of the Service.

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions (gratuities)		$60,000	$60,000
12 Pensions, annuities, and insurance claims	$2,396,262	2,560,000	2,740,000
13 Refunds, awards, and indemnities	79,814	80,000	80,000
Total obligations	2,476,076	2,700,000	2,880,000

PAYMENT OF CLAIMS, SPECIAL CLAIMS COMMISSION, UNDER ARTICLE 2 OF CONVENTION, APRIL 24, 1934, BETWEEN THE UNITED STATES AND MEXICO

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment to beneficiaries (total obligations)	$50		
Financing:			
Unobligated balance brought forward	16,597	$16,547	$16,547
Unobligated balance carried forward	−16,547	−16,547	−16,547
Total financing	50		

Object Classification

13 Refunds, awards, and indemnities	$50		

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, payment of former German prisoners of war

Program and Financing—Without Purchase

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of claims (total obligations)	$12,938	$10,000	$10,000
Financing:			
Unobligated balance brought forward	45,068	32,130	22,130
Unobligated balance carried forward	−32,130	−22,130	−12,130
Total financing	12,938	10,000	10,000

Foreign currency deposited under the bilateral agreement with Germany is available for the payment of claims of former German prisoners of war (22 U. S. C. 1512(i)), pursuant to the Geneva Prisoner of War Convention of 1929 (47 Stat. 2042).

Object Classification

	1957 actual	1958 estimate	1959 estimate
13 Refunds, awards, and indemnities	$12,938	$10,000	$10,000

Analysis of Expenditures

	1957 actual	1958 estimate	1959 estimate
Obligations incurred	$12,938	$10,000	$10,000
Expenditures	12,938	10,000	10,000

EDUCATIONAL EXCHANGE

EDUCATIONAL EXCHANGE TRUST FUNDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Education of Iranian students in the United States	$71	$3,895	
2. United States dollars advanced from foreign governments, United States educational exchange program	481,899	422,011	$255,250
Total obligations	481,970	425,906	255,250
Financing:			
Unobligated balance brought forward	479,960	394,592	268,686
Receipts, United States dollars advanced from foreign governments	396,602	300,000	300,000
Unobligated balance carried forward	−394,592	−268,686	−313,436
Total financing	481,970	425,906	255,250

1. *Education of Iranian students in the United States.*—This account was established by the act of September 29, 1950 (20 U. S. C. 225), for the education of Iranian students in the United States.

2. *United States dollars advanced from foreign governments.*—Funds advanced by other governments are used to send experts abroad to perform requested services, to give foreign nationals scientific, technical, or other training, and to perform technical or other services in this country (22 U. S. C. 1431–1479).

Object Classification

	1957 actual	1958 estimate	1959 estimate
DEPARTMENT OF STATE			
11 Grants, subsidies, and contributions	$2,062	$3,895	
ALLOCATION ACCOUNTS			
Total number of permanent positions	65	51	35
Average number of all employees	60	47	33
Number of employees at end of year	48	47	33
Average GS grade and salary	7.3 $5,290	7.4 $5,387	7.5 $5,474
Average salary of ungraded positions	$4,741	$4,933	$5,031
01 Personal services:			
Permanent positions	$374,268	$286,753	$206,400
Other personal services	1,151	1,095	800
Total personal services	375,419	287,848	207,200
02 Travel	7,301	8,180	3,700
03 Transportation of things	2,560	1,800	1,200
04 Communication services	2,783	3,370	2,040
05 Rents and utility services	2,284	1,660	1,050
06 Printing and reproduction	9,258	9,700	6,800
07 Other contractual services	17,097	52,594	19,045
Services performed by other agencies	4,172	7,639	5,250
08 Supplies and materials	6,635	6,630	4,200
09 Equipment	4,629	6,775	4,765
11 Grants, subsidies, and contributions	47,770	35,815	
Total, allocation accounts	479,908	422,011	255,250
Total obligations	481,970	425,906	255,250
Obligations are distributed as follows:			
Department of State	$2,062	$3,895	
Department of the Interior	460,671	407,954	$250,000
Department of the Army	6,517	3,889	
Department of Agriculture	5,250	5,250	5,250
Department of Commerce	7,470	4,918	

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INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency advanced from foreign governments, United States educational exchange program

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Returned to advancing government (total obligations)		$2,886	
Financing:			
Unobligated balance brought forward	$2,969	2,886	
Adjustment due to changes in exchange rate to permit conversion to dollar equivalents	−83		
Unobligated balance carried forward	−2,886		
Total financing		2,886	
Object Classification			
13 Refunds, awards, and indemnities		$2,886	
Analysis of Expenditures			
Obligations incurred		$2,886	
Expenditures		2,886	

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

FEDERAL DISABILITY INSURANCE TRUST FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Benefit payments		$175,000,000	$215,000,000
2. Administration	$1,304,992	12,184,179	20,586,206
3. Refunds of excess taxes collected			8,000,000
Total obligations	1,304,992	187,184,179	243,586,206
Financing:			
Unobligated balance brought forward:			
Cash		11,894,729	11,569,641
U. S. securities (par)		325,363,000	1,050,000,000
Receipts:			
Taxes	333,276,575	863,000,000	888,000,000
Deposits by States	3,922,679	33,000,000	35,000,000
Interest on investments	1,363,467	15,496,091	25,812,500
Transfer from "Railroad retirement account" (70 Stat. 837)			10,000,000
Unobligated balance carried forward:			
Cash	−11,894,729	−11,569,641	−11,795,935
U. S. securities (par)	−325,363,000	−1,050,000,000	−1,765,000,000
Total financing	1,304,992	187,184,179	243,586,206

1. *Benefit payments.*—The Social Security Act provides disability insurance benefits for certain disabled individuals. An amount equal to one-half of 1% of wages paid and three-eighths of 1% of self-employment income is deposited to this fund for benefit payments and administrative expenses. The excess of income over outgo and annual interest are invested in Government securities.

2. *Administration.*—The Secretary of Health, Education, and Welfare determines, at the end of each year, that portion of the administrative expenses of the Bureau of Old-Age and Survivors Insurance which is a proper charge to this fund. The amount shown herein for the administrative expenses is subject to further refinement of the processes for allocating costs between the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund (70 Stat. 821).

Starting in 1959, transfers will be made between this trust fund and the railroad retirement account so as to place this fund in the same position in which it would have been if railroad employment had been included in social insurance coverage (70 Stat. 837).

The status of the fund is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Investments in U. S. securities at beginning of year (par)		$325,363,000	$1,050,000,000
Cash		11,894,729	11,569,641
Balance of fund at beginning of year		337,257,729	1,061,569,641
Cash income during year:			
From taxes	$333,276,575	863,000,000	888,000,000
Deposit by States	3,922,679	33,000,000	35,000,000
Interest on investments	1,363,467	15,496,091	25,812,500
Transfer from "Railroad retirement account" (70 Stat. 837)			10,000,000
Total annual income	338,562,721	911,496,091	958,812,500
Cash outgo during year:			
For benefit payments		175,000,000	215,000,000
For administrative expenses	1,304,992	12,184,179	20,586,206
Refunds of excess taxes collected			8,000,000
Total annual outgo	1,304,992	187,184,179	243,586,206
Investments in U. S. securities at end of year (par)	325,363,000	1,050,000,000	1,765,000,000
Cash (unexpended balance)	11,894,729	11,569,641	11,795,935
Balance of fund at end of year	337,257,729	1,061,569,641	1,776,795,935

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions		$175,000,000	$215,000,000
13 Refunds, awards, and indemnities			8,000,000
Reimbursement for administrative expenses paid from Federal old-age and survivors insurance trust fund, Bureau of Old-Age and Survivors Insurance		9,341,139	17,705,412
Unclassified: Payments to miscellaneous receipts as reimbursements for administrative expenses	$1,304,992	2,843,040	2,880,794
Total obligations	1,304,992	187,184,179	243,586,206

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Benefit payments	$6,514,580,759	$7,880,000,000	$8,500,000,000
2. Construction	61,624	26,600,000	2,543,000
3. Administration	152,265,568	166,722,347	164,187,380
4. Refund of excess taxes collected	58,190,000	60,000,000	62,000,000
Total obligations	6,725,097,951	8,133,322,347	8,728,730,380
Financing:			
Unobligated balance carried forward:			
Cash	544,320,425	757,694,903	973,653,939
U. S. securities (par)	22,041,438,250	22,262,664,250	21,551,311,000
Unamortized premium and interest purchased	1,592,391	653,537	653,537
Increase in prior year obligations	6,009		
Receipts:			
Taxes	6,301,190,673	6,900,000,000	7,100,000,000
Deposits by States	296,848,170	300,000,000	315,000,000
Interest on investments	555,338,179	536,848,994	517,787,424
Interest payments by Railroad Retirement Board under Public Law 234	5,220,000	1,588,000	
Sale of wastepaper	156,544	150,000	150,000
Reimbursement from Federal disability insurance trust fund		9,341,139	17,705,412
Transfer to "Railroad retirement account" (65 Stat. 687)		−110,000,000	−220,000,000
Unobligated balance carried forward:			
Cash	−757,694,903	−973,653,939	−726,877,932
U. S. securities (par)	−22,262,664,250	−21,551,311,000	−20,800,000,000
Unamortized premium and interest purchased	−653,537	−653,537	−653,000
Total financing	6,725,097,951	8,133,322,347	8,728,730,380

Under the Federal old-age and survivors insurance system, workers, employers, and self-employed individuals make annual contributions in the form of taxes on earnings toward the benefits which will be payable when the worker retires or when he dies. An amount equal to the annual contributions, including interest and penalties, is deposited in this trust fund for benefit payments and administrative expenses, part of which is being used for construction of a building to house the Bureau of Old-Age and Survivors Insurance. The excess of income over outgo together with annual interest is invested in Government securities (42 U. S. C. 401).

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TREASURY DEPARTMENT—Continued

OFFICE OF THE SECRETARY—Continued

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND—Con.

Transfers are made between this trust fund and the railroad retirement account so as to place this fund in the same position in which it would have been if railroad employment after 1936 had been included in social insurance coverage (65 Stat. 687).

The status of the fund is as follows:

	1957 actual	*1958 estimate*	*1959 estimate*
Investments in U. S. securities at beginning of year (par)	$22,041,438,250	$22,262,664,250	$21,551,311,000
Unamortized premium and interest purchased	1,592,391	653,537	653,537
Cash (unexpended balance)	550,078,121	765,560,117	1,002,463,412
Balance of fund at beginning of year	22,593,108,762	23,028,877,904	22,554,427,949
Cash income during year:			
From taxes	6,301,190,673	6,900,000,000	7,100,000,000
Deposits by States	296,848,170	300,000,000	315,000,000
Interest on investments	555,338,179	536,848,994	517,787,424
Interest payments from Railroad Retirement Board (65 Stat. 687)	5,220,000	1,588,000	
Sale of waste paper	156,544	150,000	150,000
Reimbursement from Federal disability insurance trust fund		9,341,139	17,705,412
Total annual income	7,158,753,566	7,747,928,133	7,950,642,836
Cash outgo during year:			
For benefit payments	6,514,580,759	7,888,000,000	8,500,000,000
For administrative expenses	149,876,902	166,378,088	164,950,454
For construction and equipment of buildings	336,763	6,000,000	18,400,000
Transfer to "Railroad retirement account" (65 Stat. 687)		110,000,000	220,000,000
Refund of excess taxes collected	58,190,000	60,000,000	62,000,000
Total annual outgo	6,722,984,424	8,222,378,088	8,965,350,454
Investments in U. S. securities at end of year (par)	22,262,664,250	21,551,311,000	20,800,000,000
Unamortized premium and interest purchased	653,537	653,537	653,000
Cash (unexpended balance)	765,560,117	1,002,463,412	739,067,331
Balance of fund at end of year	23,028,877,904	22,554,427,949	21,539,720,331

Object Classification

	1957 actual	1958 estimate	1959 estimate
07 Other contractual services:			
Office of the Secretary of Health, Education, and Welfare	$225,000	$260,000	$263,000
Office of the general counsel, Office of the Secretary of Health, Education, and Welfare	395,100	449,000	450,000
Office of field services, Office of the Secretary of Health, Education, and Welfare	500,000	768,000	702,000
Office of the commissioner, Social Security Administration	160,000	240,000	246,000
11 Grants, subsidies, and contributions	6,514,580,759	7,888,000,000	8,500,000,000
Net administrative expenses "Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance" (see Department of Health, Education, and Welfare chapter in pt. II)	121,412,986	135,690,000	133,300,000
"Limitation on construction, Bureau of Old-Age and Survivors Insurance" (see Department of Health, Education, and Welfare chapter in pt. II)	61,624	26,600,000	2,543,000
Unclassified:			
Payments to miscellaneous receipts as reimbursements for administrative expenses	29,572,482	29,315,347	29,226,380
Payment to general fund for refunding internal revenue collections	58,190,000	60,000,000	62,000,000
Total obligations	6,725,097,951	8,133,322,347	8,728,730,380

PERSHING HALL MEMORIAL FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Payment of fund earnings (total obligations)	$4,978	$4,978	$4,978

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$86	$86	$86
U. S. securities (par)	199,100	199,100	199,100
Receipts (interest and profits on investments)	4,978	4,978	4,978
Unobligated balance carried forward:			
Cash	−86	−86	−86
U. S. securities (par)	−199,100	−199,100	−199,100
Total financing	4,978	4,978	4,978

The Secretary of the Treasury may invest the principal of the Pershing Hall memorial fund in interest-bearing United States bonds. Earnings are paid to the American Legion for use in the maintenance of Pershing Hall in Paris, France (49 Stat. 426).

Object Classification

	1957 actual	1958 estimate	1959 estimate
11 Grants, subsidies, and contributions	$4,978	$4,978	$4,978

UNEMPLOYMENT TRUST FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Withdrawals by States	$1,510,749,527	$1,545,000,000	$1,635,000,000
2. Withdrawals by Railroad Retirement Board	133,148,242	127,052,000	127,052,000
3. Administrative expenses—Bureau of Employment Security		5,832,400	6,174,400
Total obligations (cash outgo)	1,643,897,769	1,677,884,400	1,768,226,400
Financing:			
Unobligated balance brought forward:			
Cash	88,293,643	82,257,291	57,550,543
U. S. securities (par)	8,700,668,000	8,974,894,000	9,310,000,000
Unamortized premium and interest purchased	812,274	773,053	700,000
Receipts (cash income) from—			
Deposits by States	1,541,656,717	1,600,000,000	1,620,000,000
Interest on investments	224,849,178	237,690,530	238,217,813
Taxes	71,098,608	100,000,000	120,000,000
Railroad unemployment insurance administration fund (excess taxes)	3,248,473	1,803,069	1,844,327
General fund "Payment to unemployment trust fund," Treasury Department	71,195,220	48,717,000	25,150,000
Unobligated balance carried forward:			
Cash	−82,257,291	−57,550,543	−54,536,283
U. S. securities (par)	−8,974,894,000	−9,310,000,000	−9,550,000,000
Unamortized premium and interest purchased	−773,053	−700,000	−700,000
Total financing	1,643,897,769	1,677,884,400	1,768,226,400

Under the Social Security Act all moneys deposited by a State agency from a State unemployment fund or by the Railroad Retirement Board to the credit of the railroad unemployment insurance account, as well as transfers to the Federal unemployment account, are held in the unemployment trust fund; amounts in the fund which are not required to meet current withdrawals are invested in Government securities (42 U. S. C. 1104).

The status of the fund is fully disclosed in the program and financing schedule above.

The June 30, 1957, balance of $9,057,924,344 is distributed as follows:

State unemployment trust accounts	$8,486,567,367
Railroad unemployment insurance account	294,781,510
Federal unemployment account	205,380,247
Undistributed (for later credit to the State and Federal accounts)	71,195,220

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The Federal unemployment account is maintained at $200 million in order to make loans to States whenever benefit payments made by any State seriously deplete the balance in its unemployment trust account. Interest and repayments may increase the balance above $200 million. Beginning in 1958, the major part of the administrative expenses of the Bureau of Employment Security, Department of Labor, are being paid from this account. The Federal unemployment account's financial activity for 1957 showed:

Balance brought forward July 1, 1956	$152,258,042
Outgo: Loans	2,630,000
Income:	
Appropriation	47,654,863
Repayment of loans	3,000,000
Interest	5,097,342
Balance carried forward June 30, 1957	205,380,247

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions:			
	Railroad retirement benefit payments	$133,148,242	$127,052,000	$127,052,000
	Administrative expenses of Bureau of Employment Security		5,832,400	6,174,400
13	Refunds, awards, and indemnities:			
	Payments to States	1,510,749,527	1,545,000,000	1,635,000,000
	Total obligations	1,643,897,769	1,677,884,400	1,768,226,400

BUREAU OF ACCOUNTS

Bureau of Accounts Trust Funds

Program and Financing

Note.—The following schedule includes unobligated balances for "Matured obligations of the District of Columbia," and "To promote the education of the blind, principal accounts."

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Bulgarian claims		$1,511,953	$1,500,000
2. Hungarian claims		1,462,481	1,500,000
3. Italian claims	$1,758	1,000,000	3,748,242
4. Rumanian claims		20,457,259	4,000,000
5. Soviet claims	764,139	1,400,000	1,400,000
6. Yugoslav claims		1,756,276	
7. Losses in melting gold	140	1,000	1,000
8. National defense conditional gifts	711,100		
9. Payment of pre-1934 bonds of the Government of the Philippines	338,474	1,052,163	223,091
10. Payment of unclaimed moneys	145,207	100,000	100,000
11. Unclaimed moneys of individuals whose whereabouts are known	104		
Total obligations	1,960,922	28,741,132	12,472,333
Financing:			
Unobligated balance brought forward:			
Cash	173,582,785	188,254,266	168,209,137
U. S. securities (par)	6,251,350	5,481,350	5,158,347
Receipts from—			
Bulgarian claims fund (deposits)	11,953	1,500,000	1,500,000
Hungarian claims fund (deposits)	62,481	1,400,000	1,500,000
Rumanian claims fund (deposits)	14,594,699	5,000,000	4,000,000
Losses in melting gold (sales of goods and services)	6,362	5,000	5,000
National defense conditional gift fund (donations)	711,100		
Payment of pre-1934 bonds, Government of the Philippines (interest)	145,971	138,000	134,000
Payment of unclaimed moneys	327,766	330,000	350,000
Unclaimed moneys of individuals whose whereabouts are known	2,071		
Unobligated balance carried forward:			
Cash	−188,254,266	−168,209,137	−163,314,895
U. S. securities (par)	−5,481,350	−5,158,347	−5,069,256
Total financing	1,960,922	28,741,132	12,472,333

1–6. *Foreign claims settlement.*—The Foreign Claims Settlement Commission is authorized to adjudicate claims of American nationals against Bulgaria, Hungary, Italy, Rumania, Soviet Union, and Yugoslavia. Upon certification by the Commission, the Secretary of the Treasury is authorized to make payments on awards. Final payments are to be made on the claims as follows: Bulgaria 1959; Hungary, 1959; Italy, 1959; Rumania, 1959; Soviet Union, 1959; and Yugoslavia, 1958 (64 Stat. 12 and 69 Stat. 562).

7. *Losses in melting gold.*—Out of the receipts to be covered into the Treasury under section 7 of the Gold Reserve Act of 1934, an amount is made available sufficient to cover the difference between the volume of gold as carried in the general account of the Treasurer of the United States and the volume of such gold after melting and refining (48 Stat. 1061).

8. *National defense conditional gifts.*—The Secretary of the Treasury accepts on behalf of the United States conditional gifts of money or other tangible property to be used for a particular defense purpose. Intangibles other than money are converted at the best terms available. The moneys held in trust are paid to those appropriation accounts which will best effectuate the intent of the donors (68 Stat. 566).

9. *Payment of pre-1934 bonds of the Government of the Philippines.*—This trust account provides for payment of principal and interest on outstanding bonds of the Philippines, its provinces, cities, and municipalities issued prior to May 1, 1934, under authority of acts of Congress. The value of unmatured outstanding bonds is $4,847,850 (22 U. S. C. 1393(g)(5)).

10. *Payment of unclaimed moneys.*—Payments are made to individuals who establish their right to moneys held in trust pending claims of owners.

11. *Unclaimed moneys of individuals whose whereabouts are known.*—Amounts are held in trust awaiting settlement of claims (31 U. S. C. 725).

Matured obligations of the District of Columbia.—Funds from inactive accounts are transferred to this account to meet matured obligations of the District of Columbia when and if presented (31 U. S. C. 725s). As of June 30, 1957, there was a balance of $8,176 in the fund.

To promote the education of the blind.—The $250,000 un invested credit on the books of the Treasury is an unexpendable endowment fund to aid the education of the blind in the United States. A permanent annual appropriation of $10,000, being equivalent to 4% on the principal, is paid to the American Printing House for the Blind (20 U. S. C. 101).

Object Classification

		1957 actual	1958 estimate	1959 estimate
11	Grants, subsidies, and contributions	$711,100		
13	Refunds, awards, and indemnities	911,348	$27,688,969	$12,249,242
14	Interest	257,474	225,163	198,091
	Retirement of bonds	81,000	827,000	25,000
	Total obligations	1,960,922	28,741,132	12,472,333

BUREAU OF CUSTOMS

Bureau of Customs Trust Funds

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
1. Refunds, transfers, and expenses of operations, Virgin Islands	$343,473	$350,000	$350,000
2. Refunds, transfers, and expenses of operations, Puerto Rico	6,535,495	6,900,000	6,900,000
3. Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods	245,700	250,000	250,000
Total obligations	7,124,668	7,500,000	7,500,000

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TREASURY DEPARTMENT—Continued

BUREAU OF CUSTOMS—Continued

BUREAU OF CUSTOMS TRUST FUNDS—Continued

Program and Financing—Continued

	1957 actual	1958 estimate	1959 estimate
Financing:			
Unobligated balance brought forward	$731,084	$831,115	$831,115
Receipts:			
Refunds, transfers, and expenses of operations, Virgin Islands (duties and taxes)	356,510	375,000	375,000
Refunds, transfers, and expenses of operations, Puerto Rico (duties and taxes)	6,647,770	6,900,000	6,900,000
Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods (sale of goods and services)	220,419	225,000	225,000
Unobligated balance carried forward	−831,115	−831,115	−831,115
Total financing	7,124,668	7,500,000	7,500,000

Customs duties, taxes, and fees collected in Puerto Rico and the Virgin Islands, and all proceeds of the sale of abandoned and seized merchandise, are deposited to this account. After expenses have been provided for, available balances are transferred to the treasurer of Puerto Rico, the treasury of the municipalities of the Virgin Islands, and miscellaneous receipts, respectively (19 U. S. C. 528, 1491, 1493, 1559, 1613, 1624; 48 U. S. C. 740, 795, 1396, 1406(h)).

Object Classification

	1957 actual	1958 estimate	1959 estimate
BUREAU OF CUSTOMS			
Total number of permanent positions	238	243	243
Full time equivalent of all other positions	1	1	1
Average number of all employees	229	234	234
Number of employees at end of year	235	240	240
Average GS grade and salary	6.6 $4,961	6.6 $5,035	6.6 $5,111
01 Personal services:			
Permanent positions	$1,053,528	$1,076,000	$1,076,000
Positions other than permanent	3,582	4,000	4,000
Other personal services	277,755	280,000	280,000
Total personal services	1,334,865	1,360,000	1,360,000
02 Travel	17,132	17,000	17,000
03 Transportation of things	10,356	10,000	10,000
04 Communication services	12,683	12,000	12,000
05 Rents and utility services	5,386	5,400	5,400
06 Printing and reproduction	163		
07 Other contractual services	255,214	260,000	260,000
08 Supplies and materials	14,357	14,000	14,000
09 Equipment	13,977	14,000	14,000
11 Grants, subsidies, and contributions		65,000	67,400
Payments to treasury of municipalities of Virgin Islands of the United States	222,000	224,000	224,000
Payments to treasurer of Puerto Rico	5,149,013	5,431,201	5,443,600
13 Refunds, awards, and indemnities: Refunds and drawbacks	71,880	72,000	72,000
15 Taxes and assessments	632	600	600
Total, Bureau of Customs	7,107,658	7,485,201	7,500,000
ALLOCATION TO CORPS OF ENGINEERS, CIVIL			
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	1		
Average GS grade and salary	9.0 $5,440		
01 Personal services:			
Permanent positions	$3,364	$230	
Other personal services	75		
Total personal services	3,439	230	
02 Travel	94		
04 Communication services	31		
06 Printing and reproduction	53		
07 Other contractual services	59		
08 Supplies and materials	73		
10 Lands and structures	13,261	14,569	
Total, Corps of Engineers, Civil	17,010	14,799	
Total obligations	7,124,668	7,500,000	7,500,000

INTERNAL REVENUE SERVICE

EXPENSES, TREASURY DEPARTMENT, ENFORCEMENT TITLE III, NATIONAL PROHIBITION ACT, AS AMENDED, PUERTO RICO AND VIRGIN ISLANDS

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Enforcement of prohibition laws in Puerto Rico and Virgin Islands (total obligations)	$119,084	$130,898	$131,883
Financing:			
Unobligated balance brought forward	12,153	35,818	36,826
Receipts (sale of goods and services)	142,749	131,906	110,057
Unobligated balance carried forward	−35,818	−36,826	−15,000
Total financing	119,084	130,898	131,883

Advances are made by the insular government of Puerto Rico to pay expenses in connection with the enforcement of internal-revenue laws relating to industrial alcohol in that island. There are no industrial alcohol plants operating in the Virgin Islands (26 U. S. C. 3123; 31 U. S. C. 725(s)).

Object Classification

	1957 actual	1958 estimate	1959 estimate
Total number of permanent positions	18	18	18
Average number of all employees	16	18	18
Number of employees at end of year	16	18	18
Average GS grade and salary	7.5 $5,465	7.5 $5,509	7.5 $5,549
01 Personal services:			
Permanent positions	$89,749	$98,405	$99,119
Other personal services	21,412	17,736	17,736
Total personal services	111,161	116,141	116,855
02 Travel	1,856	1,750	1,750
03 Transportation of things	270	300	300
04 Communication services	367	450	450
05 Rents and utility services	8	60	60
07 Other contractual services	1,374	2,500	2,500
08 Supplies and materials	925	960	900
09 Equipment	3,123	2,600	2,600
11 Grants, subsidies, and contributions		6,197	6,468
Total obligations	119,084	130,898	131,883

COAST GUARD

COMMUTED RATION MESS FUND

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Deposited to miscellaneous receipts (total costs—obligations)	$493,240		
Financing:			
Unobligated balance brought forward	361,536		
Advances and reimbursements from other accounts	131,704		
Total financing	493,240		

This trust fund, maintained to account for funds of messes where provisions were not procured through the Coast Guard supply fund, was discontinued as of June 30, 1956, and the unobligated balance of $493,240 was deposited to miscellaneous receipts (14 U. S. C. 478).

Sources and Application of Funds (Operations)

	1957 actual	1958 estimate	1959 estimate
Gross expenditures (funds applied):			
Deposit to miscellaneous receipts	$493,240		

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Sources and Application of Funds (Operations)—Continued

	1957 actual	1958 estimate	1959 estimate
Receipts from operations (funds provided):			
Sale of commodities	$125,715		
Decrease in selected working capital	5,989		
Total receipts from operations	131,704		
Budget expenditures	361,536		

Object Classification

Deposited to miscellaneous receipts	$493,240		

General Gift Fund

Program and Financing

	1957 actual	1958 estimate	1959 estimate
Program by activities:			
Operating costs: Training facilities (total costs—obligations)	$468	$14,775	$4,225
Financing:			
Unobligated balance brought forward	$4,050	$10,550	
Receipts (contributions)	6,968	4,225	$4,225
Unobligated balance carried forward	−10,550		
Total financing	468	14,775	4,225

This trust fund is maintained to account for gifts or bequests for the use of the Coast Guard (5 U. S. C. 150q–t).

Object Classification

		1957 actual	1958 estimate	1959 estimate
07	Other contractual services		$5,500	$1,600
08	Supplies and materials	$468	4,600	1,400
09	Equipment		3,875	1,225
13	Refunds, awards, and indemnities		800	
	Total obligations	468	14,775	4,225

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PART IV

SPECIAL ANALYSES

Special Analysis A. Federal Government Receipts From and Payments to the Public
Special Analysis B. Budget Receipts (by Source)
Special Analysis C. Analysis of the Budget by Function and Agency
Special Analysis D. Investment, Operating, and Other Budget Expenditures
Special Analysis E. Federal Credit Programs
Special Analysis F. Federal Activities in Public Works and Other Construction
Special Analysis G. Federal Aid to State and Local Governments
Special Analysis H. Federal Research and Development Programs
Special Analysis I. Principal Federal Statistical Programs
Special Analysis J. Selected Investments and Interfund Transactions
Special Analysis K. Historical Comparison of Budget Receipts and Expenditures

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INTRODUCTION TO PART IV

Part IV of the budget contains special analyses of budget data and Federal programs. These analyses supplement material appearing in other parts of the budget. Most of the analyses include explanatory material which expands and elaborates these introductory notes.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Special analysis A presents information on the flow of money between the public and the Federal Government as a whole, including both Federal funds and trust (and deposit) funds. In addition, certain transactions of enterprises which are sponsored by the Government are included. Major intragovernmental and noncash transactions are excluded in this consolidation. This analysis also presents a reconciliation with Treasury cash deposits and withdrawals as reported in the Daily Statement of the United States Treasury. The information here is the basis for table 5 of part I, which summarizes the data for fiscal year 1959 only.

ANALYSIS OF BUDGET RECEIPTS

Special analysis B presents details on the budget receipts summarized in table 1 of part I. It includes a statement explaining the receipt estimates, together with a table giving a classification of receipts by source. The figures include receipts of *both* the general fund and the special funds. The text pertaining to taxes, customs, and refunds is prepared by the Treasury Department.

ANALYSIS OF THE BUDGET BY FUNCTION AND AGENCY

Special analysis C gives the details for the functional breakdown of new obligational authority and expenditures used in the budget message and in certain tables of part I. It is compiled by regrouping the figures found in the chapter summaries of part II. The code numbers listed in the chapter summaries are the key to the grouping found in this analysis.

CHARACTER ANALYSIS OF BUDGET EXPENDITURES

Special analysis D analyzes budget expenditures in terms of the duration and nature of the benefits derived. Expenditures of an *investment* type are shown in two major categories—one for acquisition and improvement of Federal assets, and the other for developmental purposes such as additions to State, local, and private assets, and expenditures for research, education, and health. Expenditures yielding *current* benefits are also grouped in two major categories—one for aids and special services to various groups, and the other for the remaining current operating expenses. No adjustments are made for depreciation, obsolescence, allowances for potential losses on loans, and other items not reflected in current expenditure data.

ANALYSES OF CERTAIN PROGRAM EXPENDITURES

Special analysis E gives detailed information on the major Federal programs involving direct loans, loan insurance, and loan guaranties. It provides data on commitment authority, commitments, expenditures, repayments, and outstanding loans, guaranties, and insurance.

Special analysis F provides an analysis of the construction activities of the Federal Government. It presents detailed information on direct Federal public works and Federal grants and loans for public works. It gives summary information on Federal financial assistance for certain international public works, semipublic works, and construction by private business and individuals.

Special analysis G covers Federal financial assistance to State and local governments. Three types of Federal assistance are included—direct grants-in-aid, shared revenues, and loans and repayable advances.

Special analysis H summarizes Federal expenditures for research and development. It includes both the performance of research and the construction, improvement, and equipping of research facilities. Data on Federal support of scientific training programs are appended.

Special analysis I presents the current and recommended budget levels of the principal statistical programs of the Federal Government.

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

Special analysis J sets forth certain investments and interfund transactions which are not reflected in the expenditures or receipts shown elsewhere in the budget. The first two groups of these are the investments by revolving and trust funds in United States Government securities (both Treasury issues and the securities of wholly owned Government enterprises), and the net borrowing or repayment of debt by wholly owned enterprises (other than their debt to the Treasury). The totals of these transactions, while not a part of budget expenditures or receipts, affect the financing requirements of the Government as a whole, and therefore are included in computations shown in table 4 of part I. The other group of transactions included in this table constitutes transfers by the revolving funds to the general fund, representing the return of capital or the distribution of earnings; such transfers are excluded from budget expenditures and budget receipts.

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES

Special analysis K presents a 10-year comparison of budget receipts and expenditures. The receipts are classified by source and the expenditures by function. A technical note sets forth the change in classifications since the 1958 budget. As in special analysis C, the code numbers appearing in the chapter summaries of part II are the key to the grouping of items in the expenditure section of this analysis.

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Special Analysis A

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Federal Government receipts from and payments to the public in 1959 are estimated to be the highest in peacetime history. (For a detailed description of the coverage, use, and limitations of this concept of Federal income and outgo, see pp. 880–881 of this analysis.) Total cash receipts from the public of $87,286 million for 1959 are estimated to be $2,173 million more than in 1958. Cash payments to the public are estimated to be $86,662 million, $1,724 million more than in 1958.

A continued rise in the receipts of the social security trust funds is the primary reason estimated receipts from the public will increase $173 million more than budget receipts between 1958 and 1959. Payments to the public are estimated to rise more than budget expenditures by $578 million. The increase of $1,168 million in trust fund payments, mainly from the social security and highway trust funds, is expected to be partly offset by a decrease in payments to redeem Treasury notes previously issued to the International Monetary Fund. Since payments from other than budget funds increase more than comparable receipts, the excess of receipts from the public will increase from 1958 to 1959 by less than the change estimated from the budget deficit to the budget surplus.

Federal receipts from the public by major source and payments to the public by major function.—Total Federal receipts from the public will have almost doubled over the 12 years from 1948 to 1959, as shown in the following table, while total Federal payments to the public will have more than doubled.

The increase in both receipts from and payments to the public has been faster than that of budget receipts and expenditures. This trend reflects the rapid growth in the size of trust fund programs (particularly old-age and survivors insurance), as well as the creation of such new trust funds as those for highways and for the secondary market operations of the Federal National Mortgage Association.

With respect to payments to the public by function, the largest relative changes from 1948 to 1959 occur in payments for commerce and housing and for agriculture and agricultural resources. Payments for commerce (including highways) and housing are estimated in 1959 to be more than nine times the low 1948 level. Payments for agriculture, which were exceptionally low in 1948 because of special postwar and other factors, will have increased eightfold. On the other hand, payments for international

FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC BY MAJOR SOURCE AND PAYMENTS TO THE PUBLIC BY MAJOR FUNCTION

EXCLUDING MAJOR INTRAGOVERNMENTAL AND NONCASH TRANSACTIONS

[In millions]

Description	1948 actual	1949 actual	1950 actual	1951 actual	1952 actual	1953 actual	1954 actual	1955 actual	1956 actual	1957 actual	1958 estimate	1959 estimate
FEDERAL RECEIPTS FROM THE PUBLIC												
Individual income taxes	$19,305	$15,548	$15,745	$21,643	$27,913	$30,108	$29,542	$28,747	$32,188	$35,620	$37,200	$38,500
Corporation income taxes	9,678	11,195	10,448	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,385	20,400
Excise taxes	7,356	7,502	7,549	8,648	8,851	9,868	9,945	9,131	9,929	10,534	11,018	11,444
Employment taxes	2,388	2,476	2,881	3,928	4,563	4,980	5,423	6,217	7,294	7,578	8,722	8,960
Estate and gift taxes	890	780	698	708	818	881	934	924	1,161	1,365	1,486	1,570
Customs	403	367	407	609	533	596	542	585	682	735	765	780
Deposits by States, unemployment insurance	1,007	985	1,098	1,363	1,439	1,371	1,246	1,146	1,330	1,542	1,600	1,620
Veterans' life insurance premiums	434	431	440	520	473	428	426	441	441	452	477	486
Other budget and trust receipts	3,895	2,293	1,673	1,865	2,197	2,028	2,469	2,784	3,184	3,114	3,460	3,526
Total Federal receipts from the public	**45,357**	**41,576**	**40,940**	**53,390**	**68,013**	**71,499**	**71,627**	**67,836**	**77,088**	**82,106**	**85,113**	**87,286**
FEDERAL PAYMENTS TO THE PUBLIC												
Major national security	12,998	13,093	13,155	22,639	46,172	51,973	48,023	42,245	41,956	44,488	45,097	46,058
International affairs and finance	5,542	6,213	4,539	3,703	929	708	626	543	465	1,486	1,952	1,292
Veterans' services and benefits	6,904	7,054	9,299	5,994	5,755	4,883	4,962	5,057	5,283	5,382	5,676	5,691
Labor and welfare	3,149	3,993	5,275	5,068	5,915	6,920	8,442	9,868	10,563	12,436	14,677	15,794
Agriculture and agricultural resources	531	2,532	2,848	628	1,129	2,949	2,596	4,425	5,029	4,659	4,712	4,364
Natural resources	755	1,062	1,220	1,279	1,377	1,487	1,330	1,217	1,123	1,324	1,490	1,519
Commerce and housing	449	1,407	1,795	2,346	2,147	2,325	216	1,446	2,184	3,136	4,586	4,205
General Government	1,385	1,033	1,056	1,228	1,346	1,363	1,474	1,400	1,578	1,496	1,668	1,746
Interest [1]	3,909	3,977	4,316	4,134	4,134	4,711	4,620	4,664	5,115	5,265	6,165	6,216
Deposit funds (net) [2]	73	463	77	−544	−160	−471	−115	57	229	225	−39	43
Allowance for contingencies											200	1,139
Employing agency payments for Federal employees' retirement (−) [3]											−602	−651
Deduction (−) from Federal employees' salaries for retirement	−236	−327	−358	−378	−411	−420	−430	−439	−574	−644	−686	−662
Increase (−) or decrease in clearing account for outstanding checks, etc. [4]	507	−366	−483	214	401	250	115	55	−335	753	42	−94
Adjustment to daily Treasury statement basis	527	437	409	−515	−769	95						
Total Federal payments to the public	**36,493**	**40,570**	**43,147**	**45,797**	**67,964**	**76,773**	**71,860**	**70,538**	**72,617**	**80,007**	**84,938**	**86,662**
Excess of Federal receipts from or payments to (−) the public	**8,864**	**1,006**	**−2,207**	**7,593**	**49**	**−5,274**	**−232**	**−2,702**	**4,471**	**2,099**	**175**	**624**

[1] Since 1954, includes adjustment for change in public debt interest checks, coupons, and accruals outstanding.

[2] Excludes deposit funds of Government-sponsored enterprises which are allocated to the appropriate program.

[3] In 1957 and prior years the Government's payment as employer was made in a lump sum to the Civil Service Commission and was not included in any functional category as a payment to the public. From 1958, the individual agency payments will be included in the applicable functional category.

[4] Since 1954, excludes that part of clearing account which is for public debt interest checks, coupons, and accruals outstanding.

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SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

affairs and finance in 1959 will be about one fourth their unusually high postwar amounts of 1948. Payments for labor and welfare and for major national security are estimated to be about 5 and 4 times their 1948 amounts, respectively. The increases for natural resources and interest are smaller, and payments for general government will have increased only 26%. Although they have been rising in recent years, payments for veterans' services and benefits in 1959 are estimated to be 18% less than in 1948, when a very large number of veterans were receiving readjustment benefits.

Comparison with the budget.—As is the case for budget receipts and expenditures, income taxes provide the majority of cash receipts from the public, and major national security programs account for more than half of all cash payments to the public. However, because they include the social security and other retirement and insurance trust fund payments, labor and welfare payments are much larger on a consolidated cash basis than on a budget expenditure basis. Also, payments to the public for commerce and housing, estimated at $4,205 million in 1959, will be more than twice budget expenditures for this program, since payments to the public include highway and other trust fund payments. On the other hand, cash payments to the public for interest are considerably smaller than budget expenditures for interest, primarily because a large amount of interest ($1,341 million estimated for 1959) is paid by the Treasury to the trust funds and not to the public directly.

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC COMPARED WITH BUDGET RECEIPTS AND EXPENDITURES FOR 1959

[Estimates. In millions]

Description	Receipts from and payments to the public	Budget receipts and expenditures	Difference
Receipts:			
Individual income taxes	$38,500	$38,500	
Corporation income taxes	20,400	20,400	
Excise taxes	11,444	9,280	$2,164
Employment taxes	8,960	347	8,613
Estate and gift taxes	1,570	1,570	
Customs	780	780	
Other receipts	5,632	3,523	2,109
Total receipts	87,286	74,400	12,886
Payments:			
Major national security	46,058	45,836	222
International affairs and finance	1,292	1,312	−20
Veterans' services and benefits	5,691	5,012	679
Labor and welfare	15,794	3,643	12,151
Agriculture and agricultural resources	4,364	4,601	−237
Natural resources	1,519	1,492	27
Commerce and housing	4,205	1,627	2,578
General government	1,746	1,403	343
Interest	6,216	7,869	−1,653
Allowance for contingencies	1,139	1,139	
Undistributed	−1,363		−1,363
Total payments	86,662	73,934	12,728
Excess of receipts	624	466	158

Federal repayment of cash borrowing from the public.—In the long run, the amount of Federal repayment of cash borrowing from the public is affected primarily by the excess of receipts from the public over payments. However, funds obtained late in one fiscal year are sometimes not utilized until early in the following year. In such cases, the size of the Government's cash balances will vary from the end of one fiscal year to another. Receipts from the exercise of the monetary authority (mostly seigniorage on silver) provide a relatively small additional amount that is available for payment to the public or repayment of cash borrowing.

FEDERAL GOVERNMENT REPAYMENT OF CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1957 actual	1958 estimate	1959 estimate
Excess of Federal receipts from the public	$2,099	$175	$624
Receipts from exercise of monetary authority	49	55	55
Increase (−) or decrease in cash balances	952	−426	
Federal repayment of cash borrowing	3,100	−196	679

The figures shown for repayment of cash borrowing from the public include not only the repayment of borrowing by the Treasury through net redemptions of U. S. Government securities held by the public, but also include the net borrowing or repayment of borrowing by Government agencies and Government-sponsored enterprises through sales and redemptions of their own securities to the public. Changes in the public debt that do not represent direct cash borrowing or repayment of borrowing from the public are excluded. Major examples are noncash debt transactions such as the issuance of U. S. Government notes and securities to the International Monetary Fund and to the trust funds.

CHANGE IN PUBLIC DEBT RECONCILED WITH REPAYMENT OF CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1957 actual	1958 estimate	1959 estimate
Increase (−) or decrease in public debt [1]	$2,224	−$673	
Cashings of (−) or investments in United States securities (net):			
Trust funds [2]	2,262	1,546	$907
Public enterprise funds	36	127	112
Government-sponsored enterprises	41	38	116
Increase (−) or decrease in obligations of Government enterprises held by the public (net):			
Trust funds [2]	−1,188	−671	−153
Public enterprise funds	103	−9	−50
Government-sponsored enterprises	−86	−316	−450
Increase or decrease (−) in public debt from noncash adjustments (net)	−292	−239	197
Federal repayment of cash borrowing	3,100	−196	679

[1] From table 4 in part I of this document.
[2] Includes the Federal National Mortgage Association secondary market operations and (from Jan. 1, 1957, to Jan. 1, 1959) the Federal intermediate credit banks.

Coverage.—This analysis presents information on the flow of money between the public and the Federal Government as a whole, representing, in effect, a consolidated cash statement of Federal transactions—other than borrowing—with the public. The public is defined to include individuals, banks, other private corporations and associations, unincorporated businesses, the Federal Reserve System, the Postal Savings System, State and local governments, foreign governments, and international organizations.

Federal cash receipts from and payments to the public include the transactions of trust and deposit funds (which are not owned by the Federal Government) as well as the Federal funds included in budget receipts and expenditures. (For a detailed description of the various types of funds see the introductions to part I and part III.) Major intragovernmental transactions which are reported as both expenditures and receipts of the funds being consolidated are eliminated. These major intragovernmental transactions are (1) payments between Federal funds, such as interest paid to the general fund by the

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SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

Commodity Credit Corporation on its borrowing from the Treasury; (2) payments between Federal funds and trust funds, such as interest paid to the old-age and survivors insurance trust fund by the general fund on securities held by the trust fund; and (3) payments between trust funds, such as the District of Columbia payments to the civil service retirement and disability fund.

Receipts of the Government from the exercise of monetary authority (mostly seigniorage on silver) do not represent cash received from the public and are therefore also excluded in this consolidation.

DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[In millions]

Description	1957 actual	1958 estimate	1959 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Budget receipts [1]	$71,029	$72,400	$74,400
Trust fund receipts [2]	14,369	16,373	16,619
Less:			
Intragovernmental transactions	3,243	3,605	3,678
Receipts from exercise of monetary authority	49	55	55
Equals: Federal receipts from the public	82,106	85,113	87,286
FEDERAL PAYMENTS TO THE PUBLIC			
Budget expenditures [1]	69,433	72,788	73,934
Trust fund expenditures [2]	12,961	15,196	16,364
Government-sponsored enterprise expenditures (net)	45	278	334
Less:			
Intragovernmental transactions	3,243	3,605	3,678
Accrued interest and other noncash expenditures (net)	−811	−281	291
Equals: Federal payments to the public	80,007	84,938	86,662
Excess of Federal receipts from the public	2,099	175	624

[1] From table 1 in part I of this document.
[2] From table 10 in part III of this document.

In this analysis the net expenditures of five Government-sponsored enterprises—the Federal Deposit Insurance Corporation; the Federal home loan banks; the Federal land banks; the banks for cooperatives; and, beginning January 1, 1959, the Federal intermediate credit banks—are estimated by measuring the net sales of their own obligations and the net redemptions of the U. S. securities held by them. The net receipts obtained from such investment transactions are used mainly for the financing of operating expenditures. Also included on a net basis in this analysis, but as part of trust fund expenditures, are the transactions of the Federal National Mortgage Association secondary market operations (an additional Government-sponsored enterprise) and, from January 1, 1957, to January 1, 1959, those of the Federal intermediate credit banks.

Budget expenditures include a relatively small number of noncash accrual transactions. In deriving Federal payments to the public, these noncash items are deducted from budget expenditures in the year of accrual of the obligation. They are later included as payments in the year when the payment is made in cash.

The major items of this type are (1) interest currently accruing on savings bonds and the interest which is paid in cash as the bonds are redeemed, (2) U. S. securities sometimes issued in payment of obligations and their redemption for cash at a later date (an example is the payment of the U. S. subscription to the International Monetary Fund in 1947 and redemption in later years, especially in 1957 and 1958), and (3) net changes in the clearing accounts for checks, public-debt interest, and related items which are outstanding at the end of each year. In any given year the aggregate of the accruals may be larger or smaller than total disbursements for previously accrued items.

Use and limitations.—Federal Government receipts from and payments to the public are particularly helpful in evaluating the impact of Federal transactions on the economy. For example, Federal receipts from the public classified by source indicate the sectors of the economy or the kinds of transactions other than borrowing which provide funds for the Government. Federal payments to the public by function indicate the relative importance in terms of total cash outlays of the major Government programs. The excess of receipts from the public or payments to the public tends to reflect the net impact of Federal financial transactions on the incomes of the public as a whole.

However, the scope and impact of Federal transactions are somewhat understated, because the totals include only the net receipts or spending of wholly owned and of Government-sponsored enterprises. These enterprises receive interest payments, repayments of loans, and other income from the public which are deducted from new loans and other disbursements. The difference is reported as the net expenditures of the enterprises, so that for the enterprises whose receipts exceed expenditures, the entry is a negative expenditure. Since the totals of receipts and payments are reduced by equal amounts, the excess of Federal receipts from or payments to the public is not affected.

Users of the figures on receipts from and payments to the public should also recognize that no single measure can indicate all of the important economic effects of the many Federal financial activities. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity long before the authorized funds were paid to the public. Likewise, the enactment of a tax measure or even the expectation of a change in tax rates may affect business planning or activity long before cash flows occur between the Federal Government and the public. Federal guaranties and insurance of private loans (summarized in special analysis E) also influence the economy, even though they normally have little or no immediate impact on Federal receipts from and payments to the public. Certain other Government contractual arrangements, such as the lease-purchase of Government buildings, have economic effects which are only partially measured by the Government payments made in any 1 year. Aside from the significance of interest payments to the public, the management of the public debt is a further important factor which has particular impact in the money and credit markets of the economy.

Reconciliation with Treasury cash deposits and withdrawals.—The daily statement of the Treasury presents a consolidated cash statement of Treasury operating transactions similar in general concept to Federal receipts from and payments to the public. However, it is limited in coverage to those transactions affecting the accounts of the Treasurer of the United States.

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Special Analysis A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

RECONCILIATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC WITH TREASURY CASH DEPOSITS

[In millions]

Description	1957 actual	1958 estimate	1959 estimate
Federal receipts from the public	$82,106	$85,113	$87,286
Receipts from exercise of monetary authority	49	55	55
Net difference in actual year due to reporting method	−280		
Equals: Treasury cash deposits	81,875	85,168	87,341

Receipts from exercise of monetary authority, since they affect the accounts of the Treasurer, are included in Treasury cash deposits. However, these receipts are omitted from Federal receipts from the public, since they do not take cash from the public.

The net difference due to reporting method applies equally in the reconciliation of receipts with deposits and payments with withdrawals. This arises principally from the fact that the method used to adjust for checks being cleared does not adjust receipts and payments separately. Instead, the net change in clearing accounts is deducted from payments. This procedure yields an accurate measure of the excess of receipts or payments. However, it still leaves a further adjustment to be made to both receipts and payments to reconcile them with cash deposits and withdrawals in the actual year.

The amounts shown for Federal payments to the public are more inclusive than cash withdrawals because payments by Government agencies from their own cash balances or from accounts in commercial banks are not shown in the Treasurer's account. These payments are measured by net changes in cash held outside the Treasury and by net proceeds realized by Government agencies and trust funds from sales of securities in the open market that were not reflected in the Treasurer's account.

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS

[In millions]

Description	1957 actual	1958 estimate	1959 estimate
Federal payments to the public	$80,007	$84,938	$86,662
Less:			
Payments to the public not reflected in accounts of the Treasurer of the United States (net):			
From cash held outside Treasury [1]	−5	−17	
From proceeds of sales in the market of agency obligations and United States securities [2]	549		
Net difference in actual year due to reporting method	−280		
Equals: Cash withdrawals from Treasury	79,183	84,955	86,662

[1] Represents increase (−) in Government agencies' balances outside Treasury.
[2] Includes only net sales by Government agencies and trust funds which were not reflected in the accounts of the Treasurer of the United States.

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Special Analysis B

ANALYSIS OF BUDGET RECEIPTS

Estimates based on existing and proposed legislation

This special analysis provides supporting detail for the figures on budget receipts by source which are included in the tables of the budget message and in table 1 of part I.

The estimates of receipts from taxes and customs for the current and ensuing fiscal years are prepared in December of each year by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing the receipts in the Treasury.

The receipts estimates are based on the assumption that resumed business expansion occurs early in the calendar year 1958. It is also assumed for the fiscal year 1959 that legislation will be enacted extending tax rates at their present levels for a year beyond July 1, 1958, as recommended by the President.

Detailed estimates of budget receipts under both existing and proposed legislation are contained on pages 885 to 888.

BUDGET RECEIPTS

Budget receipts in the fiscal year 1958 are estimated to be $72,400 million, an increase of $1,371 million over actual receipts of $71,029 million in 1957. A further rise of $2,000 million to $74,400 million is expected for 1959.

FISCAL YEAR 1958

Actual receipts in 1957 and estimated receipts in 1958 are compared by major sources in the following table. The amount shown for each receipt source is the net amount after deduction of refunds and transfers to trust funds.

Net budget receipts

[In millions]

Source	1957 actual	1958 estimate	Increase (+) or decrease (−), 1958 over 1957
Individual income taxes	$35,619.5	$37,200.0	+$1,580.5
Corporation income taxes	21,167.1	20,385.0	−782.1
Excise taxes	9,055.3	8,898.0	−157.3
Employment taxes	327.6	339.2	+11.6
Estate and gift taxes	1,364.7	1,486.0	+121.3
Taxes not otherwise classified	14.3	5.0	−9.3
Customs	734.6	765.0	+30.4
Miscellaneous receipts	2,745.6	3,321.8	+576.2
Net budget receipts	71,028.6	72,400.0	+1,371.4

Receipts from the most important revenue source, the individual income tax, are estimated to increase in 1958 by a substantial amount. A large increase is also estimated for miscellaneous receipts which consist almost entirely of nontax revenues. Offsetting these and other smaller increases are estimated declines of 4% for corporation income taxes and 2% for net excise taxes (after transfers to the highway trust fund).

Individual income taxes.—Receipts from the individual income taxes are estimated to be $37,200 million in 1958, $1,581 million above actual receipts of $35,620 million in 1957. The increase results from the higher levels of income affecting 1958 receipts.

Corporation income taxes.—Corporation income tax receipts are estimated to amount to $20,385 million in 1958, $782 million below the $21,167 million received in 1957. The decline in corporation tax receipts reflects an estimate of lower corporation profits in calendar year 1957 than in 1956 and an irregularity in the flow of corporation receipts that raised the fiscal year 1957 total in comparison with 1958.

Excise taxes.—Receipts from this source are listed in the following table:

Excise tax receipts

[In millions]

Source	1957 actual	1958 estimate	Increase (+) or decrease (−), 1958 over 1957
Alcohol taxes	$2,973.2	$3,036.0	+$62.8
Tobacco taxes	1,674.1	1,735.0	+60.9
Taxes on documents, other instruments, and playing cards	107.5	112.0	+4.5
Manufacturers' excise taxes	3,761.9	4,184.0	+422.1
Retailers' excise taxes	336.1	355.0	+18.9
Miscellaneous excise taxes	1,718.5	1,770.0	+51.5
Undistributed depositary receipts and unapplied collections	66.2		−66.2
Gross excise taxes	10,637.5	11,192.0	+554.5
Deduct—			
Refunds of receipts	103.3	174.0	+70.7
Transfer to highway trust fund	1,478.9	2,120.0	+641.1
Net excise taxes	9,055.3	8,898.0	−157.3

Gross excise taxes in 1958 are estimated to increase to $11,192 million from actual receipts of $10,638 million in 1957. The full-year effect of increased and new taxes under the Highway Revenue Act of 1956, as compared with the part-year effect in 1957, together with estimated higher levels of taxable goods and services are responsible for the estimated rise in gross receipts. All major excise tax sources are expected to increase, with the manufacturers' taxes showing the largest advances. Receipts from the gasoline tax furnish almost half of the increase shown for this group.

Although gross excise taxes are estimated to increase $555 million in 1958, a decline of $157 million is estimated for net excise taxes. Transfers of tax receipts to the highway trust fund will increase in 1958, not only because of a greater volume of gasoline sales, but also because transfers of both increased or new taxes and taxes in effect prior to the Highway Act will occur on a full-year basis in 1958. Refunds will also increase because of the gasoline tax refund provision of the Highway Act.

Employment taxes.—The yield of the employment taxes is shown in the following table:

Employment tax receipts

[In millions]

Source	1957 actual	1958 estimate	Increase (+) or decrease (−), 1958 over 1957
Federal Insurance Contributions Act and Self-Employment Contributions Act	$6,634.5	$7,763.0	+$1,128.5
Railroad Retirement Tax Act	616.0	620.0	+4.0
Federal Unemployment Tax Act	330.0	342.0	+12.0
Gross employment taxes	7,580.5	8,725.0	+1,144.5
Deduct—			
Refunds of receipts	2.6	2.8	+.2
Transfer to Federal old-age and survivors insurance trust fund	6,301.2	6,900.0	+598.8
Transfer to Federal disability insurance trust fund	333.3	863.0	+529.7
Transfer to railroad retirement account	615.9	620.0	+4.1
Net employment taxes	327.6	339.2	+11.6

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Special Analysis B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

All employment taxes are expected to increase in 1958. Higher levels of taxable wages and a full-year effect of the higher rates enacted to finance the disability insurance trust fund are primarily responsible.

Estate and gift taxes.—Receipts from this source are estimated to be $1,486 million in 1958, an increase of $121 million over actual receipts of $1,365 million in 1957.

Customs.—Custom receipts are estimated to amount to $765 million in 1958, an increase of $30 million over the actual receipts of $735 million in 1957.

Miscellaneous receipts.—Miscellaneous receipts are estimated to increase substantially in 1958. Interest payments by Government enterprises and foreign countries, rents and royalties on the Outer Continental Shelf, and larger deposits by the Federal Reserve Board are primarily responsible.

FISCAL YEAR 1959

Estimated receipts in 1958 and 1959 are compared by major sources in the following table:

Net budget receipts

[In millions]

Source	1958 estimate	1959 estimate	Increase (+) or decrease (−), 1959 over 1958
Individual income taxes	$37,200.0	$38,500.0	+$1,300.0
Corporation income taxes	20,385.0	20,400.0	+15.0
Excise taxes	8,898.0	9,280.0	+382.0
Employment taxes	339.2	347.1	+7.9
Estate and gift taxes	1,486.0	1,570.0	+84.0
Taxes not otherwise classified	5.0	5.0	
Customs	765.0	780.0	+15.0
Miscellaneous receipts	3,321.8	3,518.0	+196.2
Net budget receipts	72,400.0	74,400.0	+2,000.0

Major increases are estimated to occur in receipts from the individual income taxes and from excise taxes. Other receipt sources are expected to show relatively small gains or to remain virtually unchanged.

Individual income taxes.—A rise in personal income is expected to increase receipts from individual income taxes by $1,300 million to $38,500 million in 1959.

Corporation income taxes.—Virtually unchanged receipts of corporation income taxes from the fiscal year 1958 to 1959 reflect the assumption that corporate profits will be about the same in the calendar year 1958 as in 1957. Although corporate profits declined in the latter part of 1957, they are expected to improve after the early months of 1958 and average for the whole of 1958 at about the same level as in the calendar year 1957.

Excise taxes.—Receipts from this source, by major groups, are listed in the following table.

Excise taxes under proposed legislation are estimated to increase in 1959 on both a gross and a net basis. Expanded business activity and increased consumer incomes are estimated for 1959 and these are reflected in advances throughout the excise tax group.

Excise tax receipts

[In millions]

Source	1958 estimate	1959 estimate	Increase (+) or decrease (−), 1959 over 1958
Alcohol taxes	$3,036.0	$3,098.0	+$62.0
Tobacco taxes	1,735.0	1,780.0	+45.0
Taxes on documents, other instruments, and playing cards	112.0	112.0	
Manufacturers' excise taxes	4,184.0	4,418.0	+234.0
Retailers' excise taxes	355.0	367.0	+12.0
Miscellaneous excise taxes	1,770.0	1,858.0	+88.0
Gross excise taxes	11,192.0	11,633.0	+441.0
Deduct—			
Refunds of receipts	174.0	189.0	+15.0
Transfer to highway trust fund	2,120.0	2,164.0	+44.0
Net excise taxes	8,898.0	9,280.0	+382.0

These estimated increases also reflect enactment of legislation (1) extending existing excise tax rates for another year and (2) providing a new tax of 3½ cents a gallon on jet fuels and an increase in the existing tax rate on aviation gasoline to 3½ cents from the present 2 cents. Receipts from taxes on aviation gasoline and tires are presently transferred into the highway trust fund; it is also proposed that starting in 1959, receipts from aviation gasoline and tires be retained in general receipts.

Employment taxes.—The yield of the employment taxes is shown in the following table:

Employment tax receipts

[In millions]

Source	1958 estimate	1959 estimate	Increase (+) or decrease (−), 1959 over 1958
Federal Insurance Contributions Act and Self-Employment Contributions Act	$7,763.0	$7,988.0	+$225.0
Railroad Retirement Tax Act	620.0	625.0	+5.0
Federal Unemployment Tax Act	342.0	350.0	+8.0
Gross employment taxes	8,725.0	8,963.0	+238.0
Deduct—			
Refunds of receipts	2.8	3.0	+.2
Transfer to Federal old-age and survivors insurance trust fund	6,900.0	7,100.0	+200.0
Transfer to Federal disability insurance trust fund	863.0	888.0	+25.0
Transfer to railroad retirement account	620.0	625.0	+5.0
Net employment taxes	339.2	347.1	+7.9

All employment taxes are estimated to increase in 1959 as a result of higher levels of taxable wages.

Estate and gift taxes.—Receipts from estate and gift taxes are expected to continue to increase in 1959. Receipts from this source are estimated to reach $1,570 million in 1959, $84 million above 1958.

Customs.—Receipts from this source are expected to amount to $780 million in 1959, an increase of $15 million over 1958.

Miscellaneous receipts.—The estimated increase of $196 million in miscellaneous receipts is attributable for the most part to larger collections of principal and interest and payments on loans.

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Special Analysis B—Continued

BUDGET RECEIPTS

BY SOURCE

Based on existing and proposed legislation

[In thousands]

Source	1957 actual	1958 estimate	1959 estimate
Individual income taxes:			
Withheld	$26,727,543	$28,200,000	$29,400,000
Other	12,302,229	12,600,000	12,900,000
Gross individual income taxes	39,029,772	40,800,000	42,300,000
Less refunds	3,410,230	3,600,000	3,800,000
Net individual income taxes	35,619,542	37,200,000	38,500,000
Corporation income taxes:			
Under existing legislation	21,530,653	20,800,000	19,915,000
Under proposed legislation			900,000
Gross corporation income taxes under existing and proposed legislation	21,530,653	20,800,000	20,815,000
Less refunds	363,581	415,000	415,000
Net corporation income taxes under existing and proposed legislation	21,167,072	20,385,000	20,400,000
Excise taxes:			
Alcohol taxes:			
Under existing legislation:			
Distilled spirits (domestic and imported)	2,082,557	2,140,000	2,041,000
Fermented malt liquors	758,067	760,000	687,000
Rectification tax	23,511	24,000	24,000
Wines (domestic and imported)	87,428	90,000	84,000
Special taxes in connection with liquor occupations	21,625	21,900	21,900
All other	6	100	100
Total alcohol taxes under existing legislation	2,973,195	3,036,000	2,858,000
Under proposed legislation			240,000
Total alcohol taxes under existing and proposed legislation	2,973,195	3,036,000	3,098,000
Tobacco taxes:			
Under existing legislation:			
Cigarettes (small)	1,610,901	1,670,000	1,517,000
Tobacco (chewing and smoking)	14,020	14,000	14,000
Cigars (large)	44,816	46,800	46,900
Snuff	3,665	3,500	3,400
Cigarette papers and tubes	590	600	600
All other	59	100	100
Total tobacco taxes under existing legislation	1,674,050	1,735,000	1,582,000
Under proposed legislation			198,000
Total tobacco taxes under existing and proposed legislation	1,674,050	1,735,000	1,780,000
Taxes on documents, other instruments, and playing cards:			
Issues of securities, stock, and bond transfers, and deeds of conveyance	100,643	105,000	105,000
Playing cards	6,882	6,900	6,900
Silver bullion sales or transfers	20	100	100
Total taxes on documents, other instruments, and playing cards	107,546	112,000	112,000
Manufacturers' excise taxes:			
Under existing legislation:			
Gasoline	1,458,217	1,648,000	1,710,000
Lubricating oils	73,601	75,000	76,000
Passenger automobiles	1,144,233	1,290,000	980,000
Automobile trucks, buses, and trailers	199,298	234,000	248,000
Parts and accessories for automobiles	157,291	168,000	113,000
Tires, inner tubes, and tread rubber	251,454	278,000	289,000
Electric, gas, and oil appliances	75,196	75,000	75,000
Electric light bulbs	26,081	28,000	30,000
Radio and television receiving sets, phonographs, phonograph records, and musical instruments	180,424	179,000	194,000
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units	46,894	44,000	46,000
Business and store machines	83,175	93,000	100,000
Photographic equipment	19,901	22,000	24,000
Matches	5,865	6,000	6,000
Sporting goods, including fishing rods, creels, etc	14,614	16,000	17,000
Firearms, shells, and cartridges	15,149	16,000	17,000
Pistols and revolvers	1,417	2,000	2,000

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Special Analysis B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Source	1957 actual	1958 estimate	1959 estimate
Excise taxes—Continued			
Manufacturers' excise taxes—Continued			
Under existing legislation—Continued			
Fountain and ball-point pens, mechanical pencils	$9,114	$10,000	$10,000
Total manufacturers' excise taxes under existing legislation	3,761,925	4,184,000	3,937,000
Under proposed legislation			481,000
Total manufacturers' excise taxes under existing and proposed legislation	3,761,925	4,184,000	4,418,000
Retailers' excise taxes:			
Jewelry	156,604	162,000	165,000
Furs	29,494	31,000	32,000
Toilet preparations	92,868	102,000	108,000
Luggage, handbags, wallets, etc	57,116	60,000	62,000
Total retailers' excise taxes	336,081	355,000	367,000
Miscellaneous excise taxes:			
Telephone, telegraph, radio and cable facilities, leased wires, etc	266,186	285,000	303,000
Local telephone service	347,024	375,000	395,000
Transportation of oil by pipeline	37,159	39,000	40,000
Transportation of persons	222,158	215,000	230,000
Transportation of property	467,978	476,000	487,000
Diesel fuel, including special motor fuels	39,454	47,000	55,000
Use tax on certain vehicles	27,163	30,000	32,000
Admissions, exclusive of cabarets, roof gardens, etc	75,847	55,000	55,000
Cabarets, roof gardens, etc	43,241	45,000	47,000
Wagering taxes, including occupational taxes	7,325	7,000	7,000
Club dues and initiation fees	54,236	59,000	64,000
Leases of safe deposit boxes	5,826	6,000	6,000
Coconut and other vegetable oils, processed	19,652	20,000	20,000
Sugar tax	86,091	90,000	95,000
Coin-operated amusement and gaming devices	15,044	17,000	18,000
Bowling alleys and billiard and pool tables	3,122	3,000	3,000
All other miscellaneous excise taxes	1,002	1,000	1,000
Total miscellaneous excise taxes	1,718,509	1,770,000	1,858,000
Undistributed depositary receipts and unapplied collections	66,237		
Gross excise taxes under existing legislation	10,637,544	11,192,000	10,714,000
Less refunds	103,308	174,000	406,000
Less transfer to highway trust fund	1,478,925	2,120,000	2,210,000
Net excise taxes under existing legislation	9,055,311	8,898,000	8,098,000
Rate extensions and increases under proposed legislation			919,000
Reduction in refunds under proposed legislation			217,000
Reduction in transfer to highway trust fund under proposed legislation			46,000
Net excise taxes under existing and proposed legislation	9,055,311	8,898,000	9,280,000
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act	6,634,467	7,763,000	7,988,000
Railroad Retirement Tax Act	616,020	620,000	625,000
Federal Unemployment Tax Act	330,034	342,000	350,000
Gross employment taxes	7,580,522	8,725,000	8,963,000
Less refunds	2,580	2,800	2,950
Less transfers to:			
Federal old-age and survivors trust fund	6,301,191	6,900,000	7,100,000
Federal disability insurance trust fund	333,277	863,000	888,000
Railroad retirement account	615,920	620,000	625,000
Net employment taxes	327,554	339,200	347,050
Gross estate and gift taxes	1,377,999	1,500,000	1,585,000
Less refunds	13,252	14,000	15,000
Net estate and gift taxes	1,364,747	1,486,000	1,570,000

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SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Source	1957 actual	1958 estimate	1959 estimate
Gross taxes not otherwise classified	$15,482	$5,000	$5,000
Less refunds	1,186		
Net taxes not otherwise classified	14,296	5,000	5,000
Gross customs	754,461	785,000	800,000
Less refunds	19,908	20,000	20,000
Net customs	734,553	765,000	780,000
Miscellaneous receipts:			
Miscellaneous taxes	4,165	5,310	5,310
Seigniorage	48,541	54,880	54,725
Coinage	1,947	1,944	1,944
Fees for permits and licenses:			
Admission permits and fees	4,724	5,001	5,237
Business concessions	7,038	7,403	7,854
Immigration, passport, and consular fees	16,488	17,254	17,697
Patent and copyright fees	8,314	7,899	7,919
Registration and filing fees	2,345	4,196	3,247
Miscellaneous fees for permits and licenses	10,189	10,406	10,469
Total fees for permits and licenses	49,097	52,161	52,423
Fines, penalties, and forfeitures:			
Fines, penalties, and forfeitures, agricultural laws	11,690	6,120	5,645
Fines, penalties, and forfeitures, emergency war laws	399	353	346
Fines, penalties, and forfeitures, immigration and labor laws	486	474	474
Fines, penalties, and forfeitures, customs, commerce, and antitrust laws	2,541	2,297	2,312
Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws	95	90	88
Forfeitures, unclaimed money and property	1,243	592	592
Miscellaneous fines, penalties, and forfeitures	3,352	3,048	3,031
Total fines, penalties, and forfeitures	19,806	12,973	12,486
Gifts and contributions:			
Contributions to "conscience fund"	88	83	83
Gifts to the United States	286	199	201
Total gifts and contributions	374	283	284
Interest:			
Interest on loans, Government corporations and enterprises	378,390	514,972	522,592
Interest on securities and advances of Government corporations	125,272	141,309	165,498
Interest on loans to individual and private organizations	288	189	162
Interest on loans, foreign governments	88,078	101,005	167,909
Interest on loans, States, municipalities, and other public bodies	68	150	313
Miscellaneous interest collections	35,923	24,105	48,855
Total interest	628,019	781,730	905,330
Dividends and other earnings:			
Earnings from Government-owned enterprises	(1)		
Earnings from Government-sponsored enterprises	435,340	586,070	665,814
Miscellaneous dividends and earnings	2,588	3,291	3,674
Total dividends and other earnings	437,928	589,360	669,488
Rents:			
Rent of land	[2] 44,418	116,661	116,664
Rent of buildings and grounds	23,745	23,181	22,854
Rent of equipment and facilities	47,630	46,634	43,231
Total rents	26,957	186,476	182,749
Royalties:			
Royalties on minerals and other natural resources	79,121	88,195	88,584
Royalties on patents and copyrights	49	40	36
Total royalties	79,169	88,235	88,620

[1] Less than $500. [2] Debit item, deduct.

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Special Analysis B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Source	1957 actual	1958 estimate	1959 estimate
Miscellaneous receipts—Continued			
Sale of products:			
Sale of agricultural products, livestock, and livestock products	$207	$3,318	$6,332
Sale of timber, wildlife, and other natural land products	135,889	143,414	168,066
Sale of minerals and mineral products	14,065	13,735	13,735
Sale of power and other utilities	138,118	151,174	164,040
Sale of publications and reproductions	3,745	3,957	4,108
Sale of scrap, salvage, and waste (byproducts)	8,610	7,767	7,656
Sale of miscellaneous products	10,347	9,883	9,876
Total sale of products	310,981	333,248	373,812
Fees and other charges for services:			
Fees and other charges for accounting, legal, and judicial services	7,781	8,746	9,242
Fees and other charges for communication and transportation services	6,980	6,993	7,273
Fees and other charges for quarters, subsistence, laundry, and health services	4,550	4,409	4,678
Fees and other charges for testing, inspection, and grading services	4,140	3,616	3,616
Fees and other charges for administrative, professional, and scientific services	4,626	4,640	4,651
Fees and other charges for miscellaneous services	7,818	7,741	7,763
Total fees and other charges for services	35,895	36,146	37,224
Sale of Government property:			
Sale of public land and buildings	15,970	18,507	19,487
Sale of surplus Government property	213,738	162,007	155,683
Sale of other Government property	156,953	148,541	172,297
Total sale of Government property	386,662	329,054	347,467
Realization upon loans and investments:			
Repayment of capital investment, Government-owned enterprises	659	750	750
Repayment of capital investment, Government-sponsored enterprises	4,046	4,632	----------
Repayment of loans, foreign governments	53,121	20,305	84,436
Repayment of loans, States, municipalities, and other public bodies	156	240	781
Repayment of loans, individuals and private organizations	264,007	302,752	323,226
Proceeds from sale of securities, stocks, and collateral	1,120	1,151	1,184
Repayments upon other loans and investments	398	398	399
Total realization upon loans and investments	323,506	330,229	410,775
Recoveries and refunds:			
Compensation for Government property lost or damaged	9,312	8,723	8,667
War reparations and recoveries under military occupation	961	1,178	----------
Recoveries of excess profits and costs	41,806	37,827	30,936
Recoveries under foreign aid programs	197,024	193,306	117,882
Miscellaneous recoveries and refunds	146,738	281,937	220,879
Total recoveries and refunds	395,842	522,971	378,363
Gross miscellaneous receipts	2,748,889	3,325,000	3,521,000
Less refunds	3,315	3,200	3,050
Net miscellaneous receipts	2,745,574	3,321,800	3,517,950
Net budget receipts	71,028,650	72,400,000	74,400,000

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Special Analysis C

ANALYSIS OF BUDGET BY FUNCTION AND AGENCY

This special analysis gives the details for the functional breakdown of new obligational authority and budget expenditures used in the budget message and in some of the tables of part I.

For each function and subfunction, data are listed by agencies. In order to find the appropriation items which make up the amounts shown for the agency, it is necessary to look in the chapter summary for that agency. Each entry in the chapter summary is coded to indicate the subfunction in which it is classified.

For purposes of this classification each appropriation account and each revolving and management fund is treated as a unit. Exceptions are made, and accounts are split into two or more categories, in only selected cases. This necessarily involves some close decisions in borderline cases, and it means that programs with secondary significance for some major functions will be included in another category because another objective predominates in the particular appropriation. Thus, to secure a comprehensive total of all Government programs related to education, for example, it would be necessary to provide a special tabulation, counting in this category some appropriations which might also be relevant to other categories.

Whereas this special analysis presents both authorizations and expenditures for major functions, subfunctions, and agencies over a 3-year period, special analysis K shows expenditures for the major functions and subfunctions over a 10-year period. Special analysis A shows Federal Government payments to the public, classified by major function. The functional categories are also used in the analyses summarizing Federal activities in public works and other construction, Federal aid to State and local governments, and Federal research and development programs.

For purposes of the budget message the functional categories have been combined into four large groupings, reflecting broad purposes as follows: (1) The cost of protection, including collective security; (2) civil benefits to various parts of society; (3) interest payments, mainly on the public debt; and (4) general government. The allowance for proposed legislation and contingencies constitutes an additional entry in the tabulations for the years 1958 and 1959. The following table summarizes the functional figures according to the categories of the classification by purpose:

	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Protection, including collective security:						
050 Major national security	$41,343,584,718	$40,995,166,451	$44,298,400,000	$44,413,807,940	$44,870,830,384	$45,835,864,100
150 International affairs and finance	1,130,625,769	3,292,264,320	1,615,428,151	832,130,904	1,467,794,151	1,312,447,724
Total, protection	42,474,210,487	44,287,430,771	45,913,828,151	45,245,938,844	46,338,624,535	47,148,311,824
Civil benefits:						
100 Veterans' services and benefits	4,870,139,823	5,013,219,700	4,995,829,000	4,792,866,544	5,034,198,171	5,011,663,291
210 Labor and welfare	3,189,394,872	3,570,694,574	3,615,954,055	2,965,745,536	3,443,441,729	3,642,690,569
350 Agriculture and agricultural resources	5,297,551,919	6,392,690,666	3,849,438,139	4,582,359,292	4,924,364,862	4,601,087,611
400 Natural resources	1,355,357,551	1,439,472,116	1,446,268,000	1,296,435,232	1,457,279,255	1,492,187,023
510 Commerce and housing	3,852,349,390	4,025,780,245	2,061,434,556	1,452,910,004	2,146,263,210	1,627,284,735
Total, civil benefits	18,564,793,555	20,441,857,301	15,968,923,750	15,090,316,608	17,005,547,227	16,374,913,229
Interest (650)	7,307,466,925	7,867,181,725	7,868,382,625	7,307,739,355	7,867,431,725	7,868,632,625
General government (600)	1,832,718,605	1,368,061,045	1,362,065,805	1,789,083,626	1,376,656,776	1,402,950,587
Allowance for proposed legislation and contingencies:						
Pay adjustment:						
Postal			160,000,000			160,000,000
Other (excluding Department of Defense)			179,000,000			179,000,000
Defense contingencies			500,000,000			500,000,000
Other contingencies		400,000,000	500,000,000		200,000,000	300,000,000
Total	70,179,189,572	74,364,530,842	72,452,200,331	69,433,078,433	72,788,260,263	73,933,808,265

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SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
MAJOR NATIONAL SECURITY						
051. Direction and coordination of defense:						
Department of Defense—Military Functions: Office of the Secretary of Defense	$14,950,000	$26,350,000	$356,400,000	$13,606,754	$20,924,000	$215,412,000
052. Air Force defense:						
Department of Defense—Military Functions: Air Force	17,696,503,218	17,739,227,000	18,044,000,000	18,362,674,666	18,441,000,000	18,736,000,000
053. Army defense:						
Department of Defense—Military Functions: Army	7,671,936,788	7,694,402,144	9,036,000,000	9,062,689,309	9,043,000,000	8,880,000,000
054. Naval defense:						
Department of Defense—Military Functions: Navy	10,220,104,471	10,469,173,386	10,720,000,000	10,398,315,338	10,640,000,000	10,913,000,000
055. Other central defense activities:						
Department of Defense—Military Functions: Interservice activities	651,052,972	675,449,200	784,000,000	601,554,439	716,076,000	829,588,000
056. Development and control of atomic energy:						
Independent offices: Atomic Energy Commission	1,961,837,269	2,361,564,721	2,418,000,000	1,990,117,188	2,300,053,966	2,550,000,000
057. Stockpiling and defense production expansion:						
Funds appropriated to the President			70,000,000	129,836,897	369,775,490	271,864,100
General Services Administration				359,744,688	195,000,000	150,000,000
Total, stockpiling and defense production expansion			70,000,000	489,581,585	564,775,490	421,864,100
058. Mutual defense assistance:						
Military assistance: Funds appropriated to the President	2,017,500,000	1,340,000,000	1,800,000,000	2,351,800,464	2,200,000,000	2,200,000,000
Defense support: Funds appropriated to the President	1,109,700,000	689,000,000	865,000,000	1,143,468,197	945,000,928	885,000,000
Total, mutual defense assistance	3,127,200,000	2,029,000,000	2,665,000,000	3,495,268,661	3,145,000,928	3,085,000,000
Proposed civilian personnel pay adjustment (proposed supplemental):						
Department of Defense—Military Functions			205,000,000			205,000,000
Total, major national security	41,343,584,718	40,995,166,451	44,298,400,000	44,413,807,940	44,870,830,384	45,835,864,100
Enacted or recommended in this document	41,343,584,718	39,725,166,451	39,216,300,000	44,413,807,940	44,695,830,384	43,380,864,100
Proposed for later transmission		1,270,000,000	5,082,100,000		175,000,000	2,455,000,000
INTERNATIONAL AFFAIRS AND FINANCE						
151. Conduct of foreign affairs:						
Independent offices: Tariff Commission	1,575,000	1,700,000	1,810,000	1,553,309	1,701,526	1,804,502
Department of State	203,505,099	181,579,305	180,637,151	155,214,539	191,538,137	198,999,000
Total, conduct of foreign affairs	205,080,099	183,279,305	182,447,151	156,767,848	193,239,663	200,803,502
152. Economic and technical development:						
Funds appropriated to the President	687,870,581	735,183,000	1,275,000,000	463,919,476	604,822,542	783,213,000
Independent offices: Export-Import Bank of Washington		2,000,000,000		−99,991,641	392,527,730	50,883,339
General Services Administration				−12,422	170,164	−22,900
Department of Agriculture	88,628,927	220,244,906		124,890,640	105,438,730	105,812,000
Department of Commerce		12,000,000	10,000,000	14,703,046	25,000,000	25,000,000
Department of Defense—Civil Functions: Department of the Army	2,350,000	3,988,000	9,150,000	2,564,921	3,000,000	6,200,000
Department of State	2,000,000	1,500,000		1,239,718	2,104,123	1,504,000
Treasury Department				35,168,741	328	
Total, economic and technical development	780,849,508	2,972,915,906	1,294,150,000	542,482,479	1,133,063,617	972,589,439
153. Foreign information and exchange activities:						
Funds appropriated to the President	11,200,000	15,145,000	7,600,000	6,662,751	15,434,272	10,542,000
Independent offices: United States Information Agency	113,000,000	96,200,000	110,032,000	107,876,096	100,145,599	107,512,783
Department of State	20,496,162	24,724,109	21,199,000	18,341,730	25,911,000	21,000,000
Total, foreign information and exchange activities	144,696,162	136,069,109	138,831,000	132,880,577	141,490,871	139,054,783
Total, international affairs and finance	1,130,625,769	3,292,264,320	1,615,428,151	832,130,904	1,467,794,151	1,312,447,724
Enacted or recommended in this document	1,130,625,769	1,153,552,932	325,851,151	832,130,904	1,455,144,151	994,214,724
Proposed for later transmission		2,138,711,388	1,289,577,000		12,650,000	318,233,000

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
VETERANS' SERVICES AND BENEFITS						
101. Veterans' education and training:						
Independent offices: Veterans Administration	$779,236,393	$721,492,000	$625,297,000	$774,019,969	$729,376,972	$625,648,000
102. Other veterans' readjustment benefits:						
Independent offices: Veterans Administration	73,293,607	92,555,000	92,663,000	73,282,859	92,570,254	93,105,598
Department of Labor	67,864,322	44,800,000	19,000,000	53,210,349	43,857,624	18,175,000
Total, other veterans' readjustment benefits	141,157,929	137,355,000	111,663,000	126,493,208	136,427,878	111,280,598
103. Veterans' compensation and pensions:						
Independent offices: Veterans Administration	2,893,650,000	3,082,250,000	3,232,000,000	2,869,989,443	3,107,312,325	3,232,000,000
104. Veterans' insurance and servicemen's indemnities:						
Independent offices: Veterans Administration	56,613,571	46,072,500	51,670,000	46,805,664	43,732,142	40,399,736
105. Veterans' hospitals and medical care:						
Independent offices: Veterans Administration	825,204,800	852,991,400	814,774,000	800,640,679	846,413,411	840,150,470
106. Other veterans' services and administration:						
Independent offices:						
American Battle Monuments Commission	2,190,000	2,500,000	1,250,000	3,955,052	3,710,000	4,220,000
Veterans Administration	164,780,130	163,201,800	151,718,000	163,881,549	159,684,255	150,463,487
General Services Administration				17		
Department of Defense—Civil Functions: Department of the Army	6,924,000	6,815,000	6,915,000	6,698,951	7,000,000	6,959,000
Department of Labor	383,000	542,000	542,000	382,012	541,188	542,000
Total, other veterans' services and administration	174,277,130	173,058,800	160,425,000	174,917,581	170,935,443	162,184,487
Total, veterans' services and benefits	4,870,139,823	5,013,219,700	4,995,829,000	4,792,866,544	5,034,198,171	5,011,663,291
Enacted or recommended in this document	4,870,139,823	4,712,731,900	4,995,829,000	4,792,866,544	4,733,710,371	5,011,663,291
Proposed for later transmission		300,487,800			300,487,800	
LABOR AND WELFARE						
211. Labor and manpower:						
Independent offices:						
Federal Coal Mine Safety Board of Review	70,000	70,000	70,000	51,718	70,000	70,000
Federal Mediation and Conciliation Service	3,305,000	3,550,000	3,695,000	3,262,668	3,559,450	3,652,250
National Labor Relations Board	8,951,500	9,384,800	9,985,000	8,969,334	9,481,142	9,814,260
National Mediation Board	1,212,000	1,295,000	1,295,000	1,139,161	1,268,331	1,295,000
National Security Training Commission	50,000			34,079	2,836	
Selective Service System	29,050,000	27,000,000	28,000,000	28,127,982	26,655,000	27,700,000
Department of the Interior	5,304,300	5,900,000	5,900,000	5,271,645	5,107,000	5,854,000
Department of Labor	283,520,400	317,637,600	357,880,000	281,654,921	315,800,444	346,074,892
Treasury Department	71,195,220	48,717,000	25,150,000	71,195,220	48,717,000	25,150,000
Total, labor and manpower	402,658,420	413,554,400	431,975,000	399,706,728	410,661,203	419,610,402
212. Public assistance:						
Department of Health, Education, and Welfare	1,565,352,096	1,894,132,027	1,808,754,000	1,557,939,152	1,822,412,000	1,808,699,521
213. Promotion of public health:						
Independent offices: Interstate Commission on the Potomac River Basin	5,000	5,000	5,000	5,000	5,000	5,000
General Services Administration		2,000,000		7,377,450	8,000,000	4,000,000
Department of Health, Education, and Welfare	597,521,064	626,075,471	582,757,500	461,428,660	573,208,625	629,157,705
Total, promotion of public health	597,526,064	628,080,471	582,762,500	468,811,110	581,213,625	633,162,705
214. Promotion of education:						
Independent offices: National Science Foundation	15,299,786	18,011,540	81,870,000	13,863,794	17,248,736	52,932,544
Department of Health, Education, and Welfare	274,736,712	283,761,912	334,910,912	227,520,482	283,382,034	347,512,512
Department of the Interior	50,413,206	59,484,014	57,469,000	48,113,463	52,700,000	59,800,000
Total, promotion of education	340,449,704	361,257,466	474,249,912	289,497,739	353,330,770	460,245,056
215. Promotion of science, research, libraries, and museums:						
Legislative branch	8,316,293	9,021,700	10,201,643	7,644,220	9,299,842	10,172,171
Independent offices:						
National Science Foundation	25,200,214	31,988,460	58,130,000	31,889,189	37,739,466	54,667,456
Smithsonian Institution	39,672,000	8,445,000	9,029,000	6,314,909	8,378,445	14,168,000
Department of Commerce	20,441,600	22,010,050	35,715,000	23,708,521	18,887,264	36,756,193
Department of Health, Education, and Welfare	2,050,000	5,000,000	3,000,000	1,440,000	5,510,000	3,100,000
Total, promotion of science, research, libraries, and museums	95,680,107	76,465,210	116,075,643	70,996,839	79,815,017	118,863,820

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
LABOR AND WELFARE—Continued						
216. Correctional and penal institutions:						
Department of Justice	$35,210,000	$36,000,000	$37,300,000	$32,092,511	$34,157,226	$35,596,000
217. Other welfare services and administration:						
Funds appropriated to the President				68		
Legislative branch	1,067,481	1,125,000	1,355,000	895,326	1,238,093	1,286,347
Department of Agriculture	100,000,000	100,000,000	100,000,000	99,187,683	100,000,000	100,000,000
Department of Health, Education, and Welfare	51,451,000	60,080,000	63,482,000	46,618,380	60,613,795	65,226,718
Total, other welfare services and administration	152,518,481	161,205,000	164,837,000	146,701,457	161,851,888	166,513,065
Total, labor and welfare	3,189,394,872	3,570,694,574	3,615,954,055	2,965,745,536	3,443,441,729	3,642,690,569
Enacted or recommended in this document	3,189,394,872	3,302,444,574	3,339,954,055	2,965,745,536	3,236,291,729	3,424,790,569
Proposed for later transmission		268,250,000	276,000,000		207,150,000	217,900,000
AGRICULTURE AND AGRICULTURAL RESOURCES						
351. Stabilization of farm prices and farm income:						
Department of Agriculture	3,909,298,638	5,173,760,253	2,666,841,586	3,510,522,288	3,627,657,058	3,253,193,676
352. Financing farm ownership and operation:						
Independent offices: Farm Credit Administration	2,142,205	2,200,000	2,125,000	−28,285,225	−5,318,000	−4,310,500
Department of Agriculture	270,760,000	248,819,500	207,639,500	255,085,324	261,499,193	206,109,900
Total, financing farm ownership and operation	272,902,205	251,019,500	209,764,500	226,800,099	256,181,193	201,799,400
353. Financing rural electrification and rural telephones:						
Department of Agriculture	522,425,000	248,030,950	215,019,000	267,262,156	338,874,650	376,009,000
354. Conservation and development of agricultural land and water resources:						
Department of Agriculture	342,766,029	440,880,000	496,460,000	350,779,221	442,292,804	491,070,000
355. Research, and other agricultural services:						
Independent offices: Commission on Increased Industrial Use of Agricultural Products	150,000			119,864	8,987	
Department of Agriculture	250,010,047	278,999,963	261,353,053	226,875,664	259,350,170	279,015,535
Total, research and other agricultural services	250,160,047	278,999,963	261,353,053	226,995,528	259,359,157	279,015,535
Total, agriculture and agricultural resources	5,297,551,919	6,392,690,666	3,849,438,139	4,582,359,292	4,924,364,862	4,601,087,611
Enacted or recommended in this document	5,297,551,919	4,205,320,186	3,851,738,139	4,582,359,292	4,896,364,862	4,433,287,611
Proposed for later transmission		2,187,370,480	−2,300,000		28,000,000	167,800,000
NATURAL RESOURCES						
401. Conservation and development of land and water resources:						
Independent offices:						
Federal Power Commission	5,268,983	5,670,000	6,426,000	5,204,013	5,625,000	6,260,000
Saint Lawrence Seaway Development Corporation		35,000,000		36,970,146	44,000,000	19,000,000
Tennessee Valley Authority	5,357,000	13,317,000	141,850,000	−6,684,327	40,949,799	59,652,000
Department of Defense—Civil Functions: Department of the Army	639,181,776	645,293,100	627,670,000	609,858,869	630,000,000	665,000,000
Department of the Interior	295,781,643	315,768,169	301,006,700	276,129,693	309,251,438	333,468,872
Department of State	2,904,000	3,682,000	3,691,000	3,443,475	6,429,761	5,337,000
Total, conservation and development of land and water resources	948,493,402	1,018,730,269	1,080,643,700	924,921,869	1,036,255,998	1,088,717,872

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
NATURAL RESOURCES—Continued						
402. Conservation and development of forest resources:						
Department of Agriculture	$151,674,185	$166,376,100	$159,289,100	$150,484,639	$161,437,835	$157,926,100
Department of the Interior	11,931,708	9,857,664	11,117,000	11,931,708	9,857,664	11,117,000
Total, conservation and development of forest resources	163,605,893	176,233,764	170,406,100	162,416,347	171,295,499	169,043,100
403. Conservation and development of mineral resources:						
Department of the Interior	64,303,235	57,922,933	50,734,000	62,070,130	63,124,988	55,945,270
404. Conservation and development of fish and wildlife:						
Department of Defense—Civil Functions: Department of the Air Force	22,653	24,600	27,500	23,763	26,000	24,000
Department of the Interior	67,363,029	62,630,110	56,294,900	49,329,209	63,632,588	56,273,263
Department of State	1,265,587	1,680,000	1,660,000	1,227,478	1,739,078	1,660,000
Total, conservation and development of fish and wildlife	68,651,269	64,334,710	57,982,400	50,580,450	65,397,666	57,957,263
405. Recreational use of natural resources:						
Independent offices: Historical and memorial commissions		16,560		17,203	17,825	
Department of the Interior	70,454,752	76,650,380	40,478,800	58,685,859	78,463,005	73,304,918
Total, recreational use of natural resources	70,454,752	76,666,940	40,478,800	58,703,062	78,480,830	73,304,918
409. General resource surveys and administration:						
Department of the Interior	39,849,000	45,583,500	46,023,000	37,743,374	42,724,274	47,218,600
Total, natural resources	1,355,357,551	1,439,472,116	1,446,268,000	1,296,435,232	1,457,279,255	1,492,187,023
Enacted or recommended in this document	1,355,357,551	1,417,205,116	1,321,268,000	1,296,435,232	1,441,610,255	1,472,610,023
Proposed for later transmission		22,267,000	125,000,000		15,669,000	19,577,000
COMMERCE AND HOUSING						
511. Promotion of water transportation:						
Department of Commerce	242,910,000	121,479,300	298,104,000	179,848,173	167,284,231	190,416,955
Department of Defense—Civil Functions: Department of the Army		750,000	19,250,000	−8,650,652	3,302,249	2,626,000
Treasury Department	204,175,000	226,295,000	227,000,000	194,263,909	226,660,037	213,608,913
Total, promotion of water transportation	447,085,000	348,524,300	544,354,000	365,461,430	397,246,517	406,651,868
512. Provision of highways:						
Department of Commerce	55,115,058	32,000,000		39,606,985	37,967,811	7,063,987
513. Promotion of aviation:						
Independent offices:						
Airways Modernization Board		15,137,130	35,000,000		5,700,000	28,000,000
National Advisory Committee for Aeronautics	78,176,500	117,780,000	106,700,000	76,065,305	94,000,000	100,500,000
Department of Commerce	294,625,136	421,806,465	512,450,000	219,004,782	313,577,418	443,923,000
Total, promotion of aviation	372,801,636	554,723,595	654,150,000	295,070,087	413,277,418	572,423,000
514. Postal service:						
Post Office Department	524,340,000	696,000,000	[2] 1,121,000	517,536,448	686,153,676	[2] −15,859,000
515. Community development and facilities:						
General Services Administration				−2,293		
Housing and Home Finance Agency	209,000,000	356,275,000	212,000,000	40,885,964	81,080,169	88,767,500
Department of Health, Education, and Welfare				271,875	78,000	
Department of the Interior	4,968,000	6,000,000	4,000,000	7,806,374	7,488,000	6,767,881
Total, community development and facilities	213,968,000	362,275,000	216,000,000	48,961,920	88,646,169	95,535,381
516. Public housing programs:						
Independent offices: National Capital Housing Authority	38,000	38,000	45,500	34,304	38,000	41,000
Housing and Home Finance Agency	103,703,671	111,240,000	126,200,000	59,903,995	70,897,211	79,454,034
Total, public housing programs	103,741,671	111,278,000	126,245,500	59,938,299	70,935,211	79,495,034

[2] Includes proposed postal rate increase of $700 million.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
COMMERCE AND HOUSING—Continued						
517. Other aids to housing:						
Independent offices:						
Federal Home Loan Bank Board				−$33,386,285	−$38,381,123	−$43,165,685
Veterans Administration	$149,343,482			76,760,035	144,550,424	−4,882,072
Housing and Home Finance Agency	740,058,250	$1,657,549,500	$299,850,000	−124,165,626	54,697,762	286,454,900
Department of Agriculture	450,000,000			20,910,401	29,952,000	12,200,000
Total, other aids to housing	1,339,401,732	1,657,549,500	299,850,000	−59,881,475	190,819,063	250,607,143
518. Other aids to business:						
Legislative branch	1,287,547	1,390,000	1,274,056	1,270,246	1,394,373	1,270,693
Independent offices:						
Alaska International Rail and Highway Commission		60,000			50,000	10,000
Atomic Energy Commission				−144,325	−103,214	−64,347
Small Business Administration	84,900,000	88,235,000	38,800,000	68,907,483	83,690,450	56,857,532
General Services Administration	8,000,000			−2,439,189	−3,683,404	−2,174,728
Department of Commerce	44,554,400	45,410,450	45,305,000	40,047,690	42,892,922	49,396,700
Department of Defense—Civil Functions				−2,241,453	1,115,000	−2,026,000
Department of the Interior				3,090,418	3,332,802	2,515,000
Treasury Department				−49,976,999	−10,207,882	−14,630,048
Total, other aids to business	138,741,947	135,095,450	85,379,056	58,513,871	118,481,047	91,154,802
519. Regulation of commerce and finance:						
Independent offices:						
Federal Communications Commission	7,828,000	8,300,000	8,950,000	7,772,001	8,249,000	8,900,000
Federal Trade Commission	5,550,000	5,950,000	6,025,000	5,405,931	5,928,000	6,010,000
Interstate Commerce Commission	14,879,696	16,750,000	17,500,000	14,623,774	16,623,013	17,511,000
Securities and Exchange Commission	5,749,000	6,700,000	7,100,000	5,765,447	6,500,000	7,098,000
Department of Commerce	7,519,000	8,549,400	9,160,000	7,465,633	8,424,972	9,077,900
Department of Health, Education, and Welfare				−54,181	−21,180	−93,006
Department of Justice	3,568,650	3,785,000	3,800,000	3,581,869	3,773,229	3,798,666
Treasury Department				555	424	
Total, regulation of commerce and finance	45,094,346	50,034,400	52,535,000	44,561,029	49,477,458	52,302,560
520. Civil defense:						
Independent offices: Federal Civil Defense Administration	93,560,000	39,300,000	67,800,000	63,374,074	67,414,558	63,521,960
Department of Health, Education, and Welfare				1,467	2,000	
Treasury Department				−803,619	−144,218	−143,000
Total, civil defense	93,560,000	39,300,000	67,800,000	62,571,922	67,272,340	63,378,960
521. Disaster insurance, loans, and relief:						
Funds appropriated to the President	6,000,000	25,000,000		14,984,415	18,000,000	18,000,000
Independent offices: Small Business Administration	12,000,000	14,000,000	14,000,000	5,326,563	7,939,000	6,531,000
Housing and Home Finance Agency	500,500,000			258,510	47,500	
Total, disaster insurance, loans, and relief	518,500,000	39,000,000	14,000,000	20,569,488	25,986,500	24,531,000
Total, commerce and housing	3,852,349,390	4,025,780,245	2,061,434,556	1,452,910,004	2,146,263,210	1,627,284,735
Enacted or recommended in this document	3,852,349,390	4,008,900,245	2,164,574,556	1,452,910,004	2,136,183,210	2,183,652,286
Proposed for later transmission		16,880,000	[2] −103,140,000		10,080,000	[2] −556,367,551
GENERAL GOVERNMENT						
601. Legislative functions:						
Legislative branch	77,704,577	84,047,960	82,483,065	90,272,891	101,436,020	111,724,894
602. Judicial functions:						
Legislative branch	27,500	27,500	30,000	28,280	27,506	29,643
The judiciary	39,912,828	43,719,750	46,073,360	38,812,547	43,738,322	45,627,897
Independent offices: Indian Claims Commission	132,300	177,700	177,700	130,763	165,829	176,450
General Services Commission	580,000			701,812	281,408	
Total, judicial functions	40,652,628	43,924,950	46,281,060	39,673,402	44,213,065	45,833,990

[2] Includes proposed postal rate increase of $700 million.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
GENERAL GOVERNMENT—Continued						
603. Executive direction and management:						
Executive Office of the President	$10,714,975	$11,521,370	$11,874,870	$10,398,862	$11,525,800	$11,763,000
Funds appropriated to the President	1,400,000	1,000,000	1,000,000	155,349	1,425,000	1,264,000
Independent offices:						
Commission on Intergovernmental Relations				87		
Commission on Organization of the Executive Branch of the Government				−31		
President's Advisory Committee on Presidential Office Space	20,000			9,199	2,353	
Treasury Department	1,013,956	1,028,200	1,028,200	1,019,410	1,030,908	1,027,161
Total, executive direction and management	13,148,931	13,549,570	13,903,070	11,582,876	13,984,061	14,054,161
604. Federal Financial management:						
Independent offices:						
General Accounting Office	34,000,000	36,050,000	38,300,000	32,928,169	35,420,350	37,736,100
Renegotiation Board	3,675,000	3,000,000	2,900,000	3,524,904	3,048,729	2,907,092
Tax Court of the United States	1,365,000	1,460,000	1,481,000	1,291,108	1,462,459	1,472,208
Treasury Department	438,220,857	465,853,505	465,103,000	438,397,881	467,760,480	465,011,612
Total, Federal financial management	477,260,857	506,363,505	507,784,000	476,142,062	507,692,018	507,127,012
605. General property and records management:						
Independent offices: Central Intelligence Agency	49,000,000			1,628,376	7,720,538	13,855,430
General Services Administration	226,409,051	267,358,100	265,770,000	192,747,403	246,935,195	260,937,608
Total, general property and records management	275,409,051	267,358,100	265,770,000	194,375,779	254,655,733	274,793,038
606. Central personnel management and employment costs:						
Independent offices: Civil Service Commission	544,961,045	20,660,000	20,748,000	544,633,449	21,399,710	20,735,767
Department of Labor	81,822,413	99,938,000	87,610,600	82,320,264	102,484,009	87,608,720
Total, central personnel management and employment costs	626,783,458	120,598,000	108,358,600	626,953,713	123,883,719	108,344,487
607. Civilian weather services:						
Independent offices: Advisory Committee on Weather Control	320,479	100,000		250,951	213,022	
Department of Commerce	37,900,000	38,580,100	40,275,000	38,029,632	38,301,000	41,455,000
Total, civilian weather services	38,220,479	38,680,100	40,275,000	38,280,583	38,514,022	41,455,000
608. Protective services and alien control:						
Independent offices:						
Civil Service Commission	457,955	491,800	383,000	422,642	488,619	393,400
Commission on Civil Rights			750,000			675,000
Commission on Government Security	632,500	152,745		586,880	102,000	
Subversive Activities Control Board	350,000	375,000	375,000	308,240	373,692	375,000
Department of Justice	177,565,000	187,420,000	189,090,000	178,670,532	184,998,239	188,442,102
Treasury Department	6,790,000	7,241,000	7,241,000	6,561,782	7,237,454	7,237,026
Total, protective services and alien control	185,795,455	195,680,545	197,839,000	186,550,076	193,200,004	197,122,528
609. Territories and possessions, and the District of Columbia:						
Independent offices:						
District of Columbia Auditorium Commission	150,000			88,636	6,039	
National Capital Planning Commission	1,695,046	5,057,333	2,121,000	514,956	3,983,279	5,120,230
Department of Defense—Civil Functions: Department of the Army	15,410,000	16,987,100	22,397,000	16,537,282	17,476,500	21,918,000
Department of the Interior	10,622,426	10,668,153	9,945,000	11,435,119	10,277,246	10,094,036
Treasury Department	19,295,734	20,020,000	20,020,000	19,194,672	19,941,332	20,020,000
District of Columbia	33,258,650	32,135,550	35,829,000	26,458,650	30,007,450	37,609,000
Total, Territories and possessions, and the District of Columbia	80,431,856	84,868,116	90,312,000	74,229,315	81,691,846	94,761,266

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SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
GENERAL GOVERNMENT—Continued						
610. Other general government:						
Legislative branch	$2,990,400	$3,175,000	$3,295,190	—$3,544,277	$2,311,584	$1,689,142
Funds appropriated to the President						
Independent offices:						
Foreign Claims Settlement Commission	700,000	570,000	565,000	645,518	512,214	565,000
Historical and memorial commissions	593,500	132,000		579,897	305,124	34,942
Permanent Committee for the Oliver Wendell Holmes Devise	15,085	14,000	12,700	14,190	43,195	60,000
Department of Defense—Civil Functions: Department of the Army				14,467,387	350,000	50,000
Department of the Interior	852,259	185,500	185,500	569,631	973,264	305,200
Treasury Department: Claims, judgments, and private relief acts	12,160,069	8,913,699	5,001,620	38,290,583	12,890,907	5,029,927
Total, other general government	17,311,313	12,990,199	9,060,010	51,022,929	17,386,288	7,734,211
Total, general government	1,832,718,605	1,368,061,045	1,362,065,805	1,789,083,626	1,376,656,776	1,402,950,587
Enacted or recommended in this document	1,832,718,605	1,345,265,545	1,361,314,805	1,789,083,626	1,358,020,276	1,398,040,587
Proposed for later transmission		22,795,500	751,000		18,636,500	4,910,000
INTEREST						
651. Interest on the public debt:						
Treasury Department	7,244,193,486	7,800,000,000	7,800,000,000	7,244,193,486	7,800,000,000	7,800,000,000
652. Interest on refunds of receipts:						
General Services Administration				272,430	250,000	250,000
Treasury Department	57,008,932	60,750,000	61,750,000	57,008,932	60,750,000	61,750,000
Total, interest on refunds of receipts	57,008,932	60,750,000	61,750,000	57,281,362	61,000,000	62,000,000
653. Interest on uninvested funds:						
Treasury Department	6,264,507	6,431,725	6,632,625	6,264,507	6,431,725	6,632,625
Total, interest	7,307,466,925	7,867,181,725	7,868,382,625	7,307,739,355	7,867,431,725	7,868,632,625
ALLOWANCE FOR PROPOSED LEGISLATION AND CONTINGENCIES						
Pay adjustment:						
Postal			160,000,000			160,000,000
Other (excluding Department of Defense)			179,000,000			179,000,000
Defense contingencies			500,000,000			500,000,000
Other contingencies		400,000,000	500,000,000		200,000,000	300,000,000
Total, new obligational authority and expenditures	70,179,189,572	74,364,530,842	72,452,200,331	69,433,078,433	72,788,260,263	73,933,808,265
Enacted or recommended in this document	70,179,189,572	67,737,768,674	64,445,212,331	69,433,078,433	71,820,586,963	70,167,755,816
Proposed for later transmission		6,626,762,168	8,006,988,000		967,673,300	3,766,052,449

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Special Analysis D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

INTRODUCTION

This special analysis is designed to help contribute to a general understanding of the Federal budget by classifying Government expenditures according to (1) those which yield benefits beyond the current year and (2) those which, in the main, yield benefits within the year the expenditure is made.

Expenditures yielding benefits over a period of years, that is, those of an investment type, are shown in two major categories—first, for the acquisition of assets by the Federal Government and, second, for other broad developmental purposes. The latter category contains expenditures for programs that contribute to the general physical productivity of the economy or help increase the technical skills and knowledge of individuals. Included in this category are expenditures for research and development, education and health, and additions to State, local, and private assets.

Expenditures which yield benefits currently are also grouped in two major categories—the first for aids and services to special groups, and the second for current operating expenses.

Comparison with a capital budget.—This analysis is not intended to be a capital budget. A capital budget as prepared by some foreign governments and some State and local governments usually provides separate financing for major capital outlays. The capital outlays may be entirely excluded from the current budget of these governments or they may be amortized over a period of years by annual charges to the budget. In the U. S. Federal budget, however, investment items are treated in the same way as expenditures for other purposes and, hence, are included in arriving at the budget surplus or deficit.

A capital budget would also require the annual computation and recording of an allowance for depreciation and obsolescence on existing physical assets, an allowance for anticipated losses on loan programs, a recognition of assets received as gifts or donated to others, and the profit or loss on sales of assets at a figure different from their book value. This analysis makes no such provision for depreciation or other changes in the value of assets. Hence, it does not indicate the extent to which annual new investment in a given year is offset by changes in existing assets.

Additions to Federal assets are here limited to major outlays, such as those for public works construction and military missiles, ships, and aircraft. Such a definition of direct investment is less inclusive than the conventional accounting definition which would include increases in all claims or assets owned by the Federal Government. On the other hand, this analysis adopts a broader concept of developmental outlays than is generally employed in private accounting practice for capital items, since Federal expenditures are viewed here in terms of their effect on the economy as a whole.

Recovery of certain types of expenditures.—A part of Federal expenditures for loans, for investment in commodity inventories, and for construction of powerplants is ultimately recovered by the Treasury. However, Federal expenditures for most other investment type programs are not generally expected to be recovered by specific revenues. Nonetheless, these and other developmental expenditures increase the wealth and income of the Nation both directly and indirectly, thus expanding Federal revenues over a period of years. In addition, there are some Government programs which are financed by the appropriation of part or all of the receipts collected from fees and charges for services, sale of products, and use of property related to the programs.

Significant subcategories.—In each major category of this analysis, expenditures for major national security (as defined in special analysis C) are shown separately from those for all other (civil) programs. Such a distinction may be helpful in appraising the nature of the outlays. For example, military expenditures for fixed assets and other developmental purposes are generally not intended to achieve the same objectives as civil outlays for these purposes.

Separate subcategories are also shown for expenditures for direct Federal programs and for grants-in-aid or loans to States and local governments. Special analysis G presents details on Federal aid to State and local governments and contains a table summarizing these aids according to the major categories of special analysis D.

SUMMARY

About $26.6 billion of estimated expenditures in 1959 represent outlays for the acquisition and improvement of assets and for other developmental purposes, compared to $25.9 billion in 1958. Current expenses for aids, services, and operations are estimated to be $46 billion for 1959, compared to $46.7 billion for 1958.

Table 1.—*Summary of investment, operating, and other budget expenditures*

[In millions]

	1957 actual	1958 estimate	1959 estimate
Additions to Federal assets:			
Civil	$1,855	$3,447	$3,387
Major national security	17,575	18,045	18,224
Expenditures for other developmental purposes:			
Civil	1,494	1,853	2,139
Major national security	2,312	2,550	2,828
Current expenses for aids and special services:			
Civil	11,782	12,404	11,398
Major national security	3,512	3,184	3,116
Other services and current operating expenses:			
Interest	7,308	7,867	7,869
Other civil	2,580	2,146	2,167
Major national security	21,016	21,094	21,464
Undistributed:			
Major national security: Department of Defense: Proposed civilian personnel pay adjustment			205
Allowance for proposed legislation and contingencies		200	1,139
Total	69,433	72,788	73,934

ADDITIONS TO FEDERAL ASSETS

Expenditures representing direct investment by the Federal Government in loans and federally owned physical assets are estimated to total $21.6 billion in 1959, compared to $21.5 billion in 1958. Over four-fifths of the total expenditures in this category is for major national security programs, mostly for military equipment.

Loans.—Direct loans by Federal agencies consist primarily of loans to farmers and homeowners, to public and private agencies serving these two groups and to foreign

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

governments and private business. Most direct loan programs are financed on a revolving fund basis; that is, their receipts are available for further lending operations. However, the Rural Electrification Administration, the Farmers' Home Administration, and a few other loan programs are by law on a nonrevolving basis, with collections going directly to miscellaneous receipts of the Treasury. In those cases where loan programs are financed on a revolving fund basis, only the difference between disbursements and collections is included in budget expenditures. Hence net expenditures for loans as reported in this analysis reflect only a fraction of total direct Government lending activity.

Budget expenditures for loans in 1959 are estimated to be $1,414 million, compared to $1,459 million in 1958. Net loans to domestic private borrowers in 1959 are expected to be $177 million greater than in 1958. Reduced repayments of Commodity Credit Corporation loans and increased mortgage purchases by the Federal National Mortgage Association are anticipated in 1959. These increases will be partly offset by declines in Veterans Administration and Farmers' Home Administration loans. Nonmilitary loans to foreign borrowers are estimated at $414 million in 1959, $280 million less than in 1958. The decrease reflects primarily a substantial disbursement by the Export-Import Bank in 1958 under a previously authorized loan to the United Kingdom. Expenditures under the newly established development loan fund, which is a part of the mutual security program, will increase substantially in 1959.

A detailed analysis of major credit programs of the Federal Government is presented in special analysis E of the budget document.

Public works—sites and direct construction.—This category includes all Federal expenditures for sites and for civil public works projects, military installations, and other national security facilities which are owned by the Federal Government, including those outside the continental United States. A summary of these and related programs is given in special analysis F.

Estimated total expenditures for direct Federal public works of $3,798 million in 1959 are $293 million higher than estimated for 1958. About three-fifths of the 1959 amount, $2,338 million, will be for major national security public works. This includes expenditures for construction of military and atomic energy research and development facilities, which are expected to total $217 million in 1959. The estimated increase of $161 million for major national security public works from 1958 to 1959 reflects in part proposed construction of facilities for detection and warning systems and for the dispersal of the Strategic Air Command. Civil public works expenditures, mainly for water resources and related development, are estimated at $1,461 million in 1959, compared to $1,329 million in 1958. No new water resource projects are proposed for 1959; the total reflects primarily expenditures for construction presently underway.

TABLE 2.—*Additions to Federal assets*

[In millions]

	1957 actual	1958 estimate	1959 estimate
Loans:			
Civil	$379	$1,450	$1,401
Major national security	−6	8	13
Public works—sites and direct construction:			
Civil	1,075	1,329	1,461
Major national security	2,249	2,177	2,338
Major commodity inventories—net change:			
Civil	282	559	396
Major national security	431	499	359
Major equipment:			
Civil	32	48	54
Major national security	13,674	13,878	13,801
Other physical assets—acquisition and improvement:			
Civil	87	61	75
Major national security	1,227	1,483	1,713
Total additions to Federal assets	19,430	21,491	21,610

Major commodity inventories.—Net expenditures for purchases of commodities held for resale or in stockpiles are expected to be $755 million in 1959, $303 million less than in 1958. The figure for total purchases includes transportation costs, administrative expenses, and storage costs where these are normally included in costs of goods sold.

Expenditures for the stockpiling of strategic and critical materials (other than fissionable) and for purchases of defense materials are expected to decline by $140 million from the 1958 level of $499 million. Net additions to the inventory of farm commodities held by the Commodity Credit Corporation under its farm price-support program are expected to require expenditures of $382 million in 1959, $129 million less than in 1958.

Major equipment.—Expenditures for major equipment in 1959 are estimated at $13,855 million, compared to $13,927 million in 1958. These expenditures represent almost entirely purchases of aircraft, missiles, ships, and other major national security equipment. Expenditures for major military procurement and production are expected to be about the same in 1958 and 1959. Compared with 1958, however, the 1959 total includes greater expenditures for missiles and missile-equipped surface ships and submarines, and decreased expenditures for conventional aircraft and equipment.

Purchases of office equipment, furniture and fixtures, automobiles, and similar items are not classified in this subcategory but are treated as current operating expenses.

Other physical assets—acquisition and improvement.—Expenditures for other physical assets are estimated to be $1,787 million in 1959. The major part of this amount will be used for the procurement of uranium concentrates and production of special nuclear materials and weapons by the Atomic Energy Commission. This subcategory also includes reforestation and range improvements, and real property purchased or acquired as collateral or defaulted loans.

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

The category of other developmental purposes includes Federal expenditures which add to the productivity of the economy over a period of years but which do not directly add to Federal physical and financial assets. Programs which yield the bulk of their benefits immediately are excluded, even though they may also contribute to the longer run economic development of the Nation.

Expenditures for military research and development account for over one-half of the total estimated expenditures of $4,967 million in this category in 1959.

State and local physical assets.—In 1959 the Federal Government will spend an estimated $305 million for additions to physical assets of State and local governments, mainly through grants-in-aid for the construction of schools in federally affected areas, airports, waste-treatment facilities, hospitals, and other facilities. This amount excludes expenditures for the Federal-aid highway system which since 1957 have been made from a separately financed trust fund.

Private physical assets.—Federal expenditures which directly add to privately owned physical assets consist predominantly of (1) payments and technical assistance for conservation and improvement of private farms, including payments under the soil bank to share the cost of conservation practices; (2) grants to States for the building of private hospitals and other health facilities; and (3) construction subsidies for merchant ships. Expenditures in this category are estimated at $511 million in 1958 and $587 million in 1959.

Education, training, and health.—An estimated $656 million of budget expenditures in 1959 will be devoted to education, training, and health. The increase in the category reflects an expansion in the scientific education and training programs administered by the National Science Foundation, to be complemented by a proposed new program in the Department of Health, Education, and Welfare to strengthen scientific and general education.

Education, training, and health programs are developmental in that they are intended to foster the knowledge, skills, longevity, and physical vigor of the population. Most of these programs are conducted through grants to State and local governments. Included here are school-operating aid to school districts especially affected by activities of the Federal Government, and grants to States for programs of vocational education, vocational rehabilitation, maternal and child welfare, public health, and agricultural extension work. Closely related are several major items classified in other categories—principally the veterans' education program, which is classified as aids and special services for veterans; the operating expenses of hospital services and medical care programs; and the training of military and civilian personnel in Government service.

Research and development.—The Federal Government also contributes to technological and economic progress through the conduct of varied programs of research and development. Expenditures for programs classified under this heading in 1959 are estimated at $3,351 million, $343 million above 1958.

Over four-fifths of the 1959 amount will be devoted to research and development by the Department of Defense and the Atomic Energy Commission. Much of the increase in Department of Defense research and development expenditures in 1959 will be devoted to missiles and basic research. Amounts spent by the Department of Defense from appropriations for military procurement and public works also contribute to research and development, testing, and evaluation. However, such expenditures are classified under additions to Federal assets. The Atomic Energy Commission will emphasize basic research and research on military nuclear propulsion reactors and reactors for producing safe and economic electrical energy.

National Advisory Committee for Aeronautics expenditures for research and development in 1959 will be directed primarily toward problems of flight, missiles, and space vehicles. The work of the NACA is closely coordinated with related work of the Department of Defense. In addition, research on air-traffic control will be expanded in 1959. Expenditures by the National Science Foundation for research and development will increase in 1959, reflecting an expansion of basic research activities.

Other research and development programs include health research, research in new uses of farm products, and basic agricultural research.

TABLE 3.—*Expenditures for other developmental purposes*

[In millions]

	1957 actual	1958 estimate	1959 estimate
State and local physical assets	$158	$267	$305
Private physical assets	394	511	587
Education, training, and health:			
Civil	484	530	645
Major national security	8	15	11
Research and development:			
Civil	397	474	535
Major national security	2,304	2,535	2,817
Engineering and natural resources surveys	61	71	67
Total expenditures for other developmental purposes	3,806	4,402	4,967

The definition of research and development in this analysis is that used in special analysis H. Expenditures for routine testing, mapping and surveys, experimental production, information activities, and training programs are generally excluded.

Engineering and natural resource surveys.—An estimated $67 million of budget expenditures in 1959 will be for investigations and surveys for public works programs, topographic mapping, land classification, forest investigations, and other basic surveys. The largest programs of these types are administered by the Geological Survey, the Bureau of Reclamation, the Coast and Geodetic Survey, and the Corps of Engineers.

CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES

The preceding categories include investment-type expenditures which provide substantial benefits to various economic groups, such as loans, public works, and research programs. This category—current expenses for aids and special services—contains the administrative and other operating expenses for such investment-type programs, as well as the maintenance costs of physical assets and the other current expenditures which primarily provide aids or special services to one or more specific economic groups.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Almost four-fifths of budget expenditures for aids and special services are for civil programs. The estimated totals for these programs are $15.6 billion for 1958 and $14.5 billion for 1959. In addition to Federal expenditures for aids and special services, benefits accrue to various groups through tax provisions and other nonexpenditure aids which are not included in this analysis.

Agriculture.—Current expenses predominantly for the benefit of farmers consist chiefly of costs and losses in connection with the sale of surplus commodities for foreign currencies and the price-support program, expenditures under the soil bank program, expenses of the International Wheat Agreement, Sugar Act payments, expenditures for removal of surplus commodities, and administrative expenses of loan programs and other aids to farmers. Current expenses for programs in this category are estimated at $3,478 million in 1958 and $3,016 million in 1959.

Other major expenditures benefiting farmers which are classified elsewhere in this analysis are provided through loans, conservation payments, and construction of reclamation and other water development projects. Farmers also benefit from the school lunch program, and from certain international and other programs which are designed primarily for other purposes.

Business.—The major types of current Federal expenditures primarily benefiting private business have been the Government payment to the Post Office to cover the losses arising from the operation of the postal service; maritime operating subsidies and navigation aids to the shipping industry; and various aids to air navigation. Expenditures for aids to business are estimated to decline by $662 million, from $1,264 million in 1958 to $602 million in 1959, largely as a result of the proposed increase in postal rates. Taking account of the cost of the proposed postal workers' pay increase (for which $160 million is included in the "Allowance for proposed legislation and contingencies"), the decrease from 1958 would be $502 million.

Labor.—The largest current Federal expenditure benefiting labor is for the Federal-State program of unemployment insurance and public employment offices. The Federal Government, through the Department of Labor, makes grants to the States to cover the full cost of administering these services. Employment services also benefit employers since workers are recruited to fill job vacancies. Expenditures classified here also include the mine safety work of the Bureau of Mines and some administrative expenses of the Department of Labor. Current expenses for aids and special services for labor in 1959 are estimated to total $353 million, compared to $344 million in 1958. The estimated increase in expenditures for 1959 is primarily to meet anticipated growing workloads in employment security administration.

Homeowners and tenants.—Since loans and mortgage purchases for the benefit of homeowners and tenants are classified in this analysis as investment-type expenditures, current expenditures consist chiefly of (1) annual contributions to local authorities for low-rent public housing projects and grants for the capital losses of slum clearance and urban renewal projects; and (2) the operating expense of the management and liquidation functions of the Federal National Mortgage Association. Receipts from the insurance of mortgages and saving and loan share accounts and the earnings from holdings of mortgages and other housing loans exceed current expenditures for housing in all 3 years shown in this budget.

Table 4.—*Current expenses for aids and special services*

[In millions]

	1957 actual	1958 estimate	1959 estimate
Agriculture	$3,564	$3,478	$3,016
Business:			
Civil	995	1,219	556
Major national security	17	45	46
Labor	333	344	353
Homeowners and tenants	−54	−19	−17
Veterans	4,679	4,897	4,878
International:			
Civil	503	442	559
Major national security	3,495	3,139	3,070
Other aids and special services	1,763	2,043	2,053
Total current expenses for aids and special services	15,294	15,588	14,513

Veterans.—Current expenditures for aids to veterans in 1959 are estimated at $4,878 million, $19 million below 1958. Compensation and pension benefits account for about two-thirds of the estimated 1959 total in this subcategory and are estimated to increase by $125 million from 1958 to 1959. Compensation payments are made for disabilities or deaths resulting from service; pensions are paid in non-service-connected cases.

Other important current aids to veterans are hospital and medical care for veterans of all wars, and readjustment benefits primarily for those who served in the Korean conflict. Included are outlays for education and training of veterans who enroll in schools and colleges, or vocational training on the job or farm; losses and administration under the loan-guaranty programs; and veterans' unemployment allowances.

International.—In 1959, $3,052 million, or more than four-fifths of total estimated expenditures in this subcategory, is for military assistance and defense support under the mutual security program. Military assistance expenditures furnish military equipment and training; defense support helps friendly nations meet the economic burden of maintaining adequate defense forces. Both of these programs are classified under major national security in the budget. Current expenses for the nonmilitary parts of the mutual security program are estimated to be $365 million in 1958 and $485 million in 1959.

Other aids and special services.—Many other Federal programs involve current expenditures for aids and special services for more than one of the above groups or for other groups. The bulk of the expenditures consists of grants to help provide public assistance to those in need, including the aged, the blind, the permanently and totally disabled, and dependent children; other major programs include grants to States to help finance low-priced school lunches, hospital operation and medical care by the Public Health Service, and various aids to Indians. Expenditures in this subcategory are expected to total $2,043 million in 1958 and $2,053 million in 1959.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

All other Government expenditures, apart from undistributed amounts for proposed legislation and contingencies, are included in this final major category. In the main, the activities covered are the basic Government operations of maintaining a military establishment, conducting foreign affairs, making and enforcing laws, collecting taxes, and managing and paying interest on the public debt.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Current expenditures for major national security, mostly for operation and maintenance of military facilities and for pay and subsistence of military personnel, dominate this category. The largest component of the remaining (i. e., civil) expenditures is for interest which accounts for about one-fourth of the total.

Repair, maintenance, and operation of physical assets.—Expenditures to repair, maintain, and operate physical assets are chiefly for military structures, equipment, and facilities; atomic energy facilities; and general-purpose public buildings. They are also for operating such other public assets as flood-control reservoirs, irrigation works, power facilities, public lands, and national forests.

Net expenditures for civil repair, maintenance, and operation are estimated at $285 million in 1958 and $289 million in 1959. Outlays for the operation and maintenance of structures, weapons and equipment, and facilities for major national security programs are estimated to be $9,289 million in 1959, a decrease of $42 million from 1958.

Regulation and control.—Most of the major departments and agencies and many smaller agencies have regulatory or law-enforcement responsibilities. These include the law-enforcement activities of the Departments of Justice, the Treasury, and the Judiciary, as well as the operations of the independent regulatory agencies. Expenditures for regulation and control are estimated to total $560 million in 1959, compared to $542 million in 1958.

Operation and administration of other civil activities.—All other governmentwide or multipurpose expenditures for civil programs are estimated to total $1,318 million in 1959, about the same as in 1958. These cover expenditures for the legislative branch and the conduct of foreign affairs; tax collection, public debt management, and other financing activities; central procurement, record keeping, and various other direct Federal programs not elsewhere classified. The decrease in expenditures between 1957 and 1958 occurs primarily because effective at the beginning of 1958, individual Government programs are bearing their respective shares of the Government's payment to the civil service retirement fund. In 1957 and prior years, the Government made a lump-sum payment which was classified entirely in this subcategory.

Other major national security operation and administration.—These expenditures are estimated to rise from $11,763 million in 1958 to $12,175 million in 1959. They represent predominantly pay and subsistence for military personnel together with smaller but substantial expenditures for civilian reserve components, industrial mobilization, and various departmentwide activities of the Department of Defense.

Interest.—These expenditures are almost entirely for interest on the public debt. A relatively minor proportion is for interest on refunds of receipts and on certain uninvested funds deposited with the Treasury. Principally because of the higher interest rates on new securities issued to refund maturing obligations, expenditures for interest rose $559 million between 1957 and 1958. On the basis of recent changes in interest rates, interest costs in 1959 will remain at about the 1958 level.

Table 5.—*Other services and current operating expenses*

[In millions]

	1957 actual	1958 estimate	1959 estimate
Repair, maintenance, and operation of physical assets:			
Civil	$292	$285	$289
Major national security	9,284	9,331	9,289
Regulation and control	504	542	560
Operation and administration of other civil activities	1,784	1,319	1,318
Other major national security operation and administration	11,732	11,763	12,175
Interest	7,308	7,867	7,869
Total other services and current operating expenses	30,903	31,107	31,500

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1957 actual	1958 estimate	1959 estimate
ADDITIONS TO FEDERAL ASSETS			
Loans:			
Civil:			
To domestic private borrowers:			
Farm Credit Administration [1]	−$151	(2)	$1
Small Business Administration	70	$86	59
Veterans Administration	89	159	12
Housing and Home Finance Agency:			
Federal National Mortgage Association	−115	−21	158
College housing loans	48	64	77
Federal Housing Administration	25	39	39
Other	−3	6	−7
Department of Agriculture:			
Commodity Credit Corporation: Price support and grain storage loans	−97	−312	−90
Farmers' Home Administration	228	262	189
Rural Electrification Administration	259	330	367
Treasury Department:			
Reconstruction Finance Corporation	−50	−10	−15
Civil defense loans	−1	(2)	(2)
Other agencies	(2)	10	3
Total to domestic private borrowers, civil	303	615	792
To State and local governments:			
For public works:			
Housing and Home Finance Agency:			
College housing loans	48	97	142
Public facility loans	1	15	24
Other	4	4	6
Loans to the District of Columbia government	4	8	10
Other agencies	8	13	11
For other than public works	7	7	−8
Total to State and local governments, civil	72	142	185
To foreign borrowers:			
Funds appropriated to the President: Mutual security: Economic, technical, and other assistance	51	240	299
Export-Import Bank of Washington	−40	454	115
Treasury: International Finance Corporation	35		
Total to foreign borrowers, civil	46	694	414
To quasi-public institutions:			
Housing and Home Finance Agency: Federal National Mortgage Association: Loans for secondary market operations	−41	−1	10
Total loans, civil	379	1,450	1,401
Major national security:			
To domestic private borrowers: Funds appropriated to the President: Expansion of defense production	−19	−11	−16
To foreign borrowers: Funds appropriated to the President:			
Mutual security: Mutual defense assistance	7	24	33
Other	6	−5	−4
Total to foreign borrowers, major national security	13	20	29
Total loans, major national security	−6	8	13
Total loans	373	1,459	1,414

	1957 actual	1958 estimate	1959 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction:			
Civil:			
Research and development plant:			
National Advisory Committee for Aeronautics	$12	$18	$22
Department of Agriculture	2	4	10
Other	5	10	7
Total research and development plant	19	32	39
Other than research and development plant:			
Legislative branch: Architect of the Capitol and Botanic Garden	16	26	35
Central Intelligence Agency	2	8	14
Saint Lawrence Seaway Development Corporation	37	44	19
Tennessee Valley Authority	81	130	159
Veterans Administration	36	39	36
General Services Administration	27	53	55
Department of Agriculture:			
Commodity Credit Corporation: Grain storage facilities	31	32	30
Forest roads and trails	18	14	14
Other	12	17	18
Department of Commerce	58	92	136
Department of Defense—Civil Functions:			
Rivers and harbors and flood control	473	485	520
Other	5	9	20
Department of Health, Education, and Welfare	12	18	23
Department of the Interior:			
Bureau of Reclamation	130	152	169
Other	93	107	103
Post Office Department	14	32	33
Department of State	9	25	34
Treasury Department	−3	4	−12
Other agencies	5	8	15
Total other than research and development plant	1,056	1,297	1,422
Total public works, civil	1,075	1,329	1,461
Major national security:			
Research and development plant:			
Atomic Energy Commission	69	94	126
Department of Defense—Military Functions:			
Military public works	177	204	91
Total research and development plant	246	298	217
Other than research and development plant:			
Funds appropriated to the President: Expansion of defense production	28	(2)	
Atomic Energy Commission	194	120	107
Department of Defense—Military Functions:			
Military public works (excluding infrastructure)	1,703	1,668	1,946
Reserve components	78	89	67
Departmentwide activities	(2)	1	(2)
Total other than research and development plant	2,003	1,878	2,121
Total public works, major national security	2,249	2,177	2,338
Total public works—sites and direct construction	3,324	3,505	3,798

[1] Beginning Jan. 1, 1957, the transactions of the Federal intermediate credit banks are being carried as trust fund expenditures and excluded from budget expenditures.

[2] Less than one-half million dollars.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1957 actual	1958 estimate	1959 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Major commodity inventories:			
Civil:			
Federal Civil Defense Administration: Emergency supplies and equipment	$33	$38	$14
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities	231	511	382
Department of the Interior	18	9	(2)
Other agencies	1	(2)	(2)
Total major commodity inventories, civil	282	559	396
Major national security:			
Funds appropriated to the President: Expansion of defense production	108	341	246
General Services Administration: Stockpiling of strategic and critical materials	323	158	114
Total major commodity inventories, major national security	431	499	359
Total major commodity inventories	713	1,058	755
Major equipment:			
Civil:			
Research and development plant:			
National Advisory Committee for Aeronautics	8	10	10
Other	2	2	(2)
Other than research and development plant:			
Department of Commerce:			
Merchant ships	14	8	14
Other	1	2	7
Treasury Department: Coast Guard	1	17	14
Other agencies	6	9	10
Total major equipment, civil	32	48	54
Major national security:			
Research and development plant: Atomic Energy Commission	24	24	26
Other than research and development plant:			
Funds appropriated to the President: Expansion of defense production	−12	−3	−1
Atomic Energy Commission	13	21	23
Department of Defense—Military Functions:			
Aircraft	7,978	7,519	6,904
Ships	897	1,106	1,296
Guided missiles	2,095	2,917	3,314
Other	2,679	2,294	2,239
Total major equipment, major national security	13,674	13,878	13,801
Total major equipment	13,706	13,927	13,855
Other physical assets—acquisition and improvement:			
Civil:			
Installment purchase of real property: General Services Administration	----------	(2)	1
Other than installment purchase of real property:			
Veterans Administration	46	62	61
Housing and Home Finance Agency	21	−26	−15
Department of the Interior	13	15	15
Other agencies	6	9	13
Total other physical assets, civil	87	61	75
Major national security:			
Installment purchase of real property: Department of Defense—Military Functions: Working capital (revolving) funds	(2)	40	55
ADDITIONS TO FEDERAL ASSETS—Continued			
Other physical assets—acquisition and improvement—Continued			
Major national security—Continued			
Other than installment purchase of real property:			
Atomic Energy Commission	$1,227	$1,443	$1,658
Total major national security	1,227	1,483	1,713
Total other physical assets—acquisition and improvement	1,314	1,543	1,787
Total additions to Federal assets	19,430	21,491	21,610
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
State and local physical assets:			
Grants-in-aid:			
For public works, research and development plant	1	9	18
For public works, other than research and development plant:			
Department of Agriculture: Flood prevention and watershed protection	13	22	24
Department of Commerce:			
Roads	2	4	(2)
Airports	21	40	52
Department of Health, Education, and Welfare:			
School construction	67	93	83
Hospital construction	32	43	50
Grants for waste treatment works construction	1	31	51
Other	(2)	(2)	----------
Other agencies	13	17	17
Total for public works	150	259	295
For other than public works:			
Research and development plant	(2)	1	2
Other than research and development plant	8	7	8
Total for other than public works	8	8	10
Total State and local physical assets, grants-in-aid	158	267	305
Private physical assets, civil:			
Direct Federal programs:			
Research and development plant	3	12	25
Other than research and development plant:			
Department of Agriculture:			
Agricultural conservation assistance	262	227	232
Great Plains conservation program	----------	3	6
Soil Conservation Service	66	71	71
Soil bank program: Practice payments, conservation reserve	13	86	152
Commodity Credit Corporation: Loans to Secretary for agricultural conservation assistance	−13	24	−5
Department of Commerce: Merchant ships	17	24	35
Other agencies	5	7	6
Total direct Federal programs	353	455	524
Grants-in-aid: Other than research and development plant:			
Department of Health, Education, and Welfare:			
Private hospital construction	39	53	61
Other agencies	1	3	2
Total grants-in-aid	40	56	63
Total private physical assets, civil	394	511	587

[2] Less than one-half million dollars.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1957 actual	1958 estimate	1959 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Education, training, and health:			
Civil:			
Direct Federal programs:			
National Science Foundation	$14	$17	$53
Department of Health, Education, and Welfare	105	118	125
Department of the Interior	42	46	52
Other agencies	5	5	5
Total direct Federal programs	165	187	235
Grants-in-aid:			
Department of Agriculture	50	57	58
Department of Health, Education, and Welfare:			
School operation	93	114	110
Other education and training	79	95	166
Health and child care	97	77	76
Other agencies	(2)	(2)	(2)
Total grants-in-aid	319	344	410
Total education, training, and health, civil	484	530	645
Major national security: Atomic Energy Commission	8	15	11
Total education, training, and health	492	545	656
Research and development:			
Civil:			
Direct Federal programs:			
Airways Modernization Board		6	28
National Advisory Committee for Aeronautics	55	65	69
National Science Foundation	28	30	45
Veterans Administration	9	12	11
Department of Agriculture	65	74	80
Department of Commerce	16	18	24
Department of Health, Education, and Welfare	136	172	174
Department of the Interior	36	41	45
Other	16	20	22
Total direct Federal programs	362	438	500
Grants-in-aid:			
Department of Agriculture	30	31	31
Other agencies	5	4	4
Total grants-in-aid	35	35	35
Total research and development, civil	397	474	535
Major national security:			
Atomic Energy Commission	420	538	546
Department of Defense—Military Functions:			
Research and development	1,686	1,801	2,075
Military personnel	196	193	194
Other agencies	2	1	1
Total research and development, major national security	2,304	2,535	2,817
Total research and development	2,701	3,008	3,351
Engineering and natural resource surveys:			
Direct Federal programs:			
Department of Commerce	10	11	11
Department of the Interior	31	35	35
Other agencies	19	22	18
Total direct Federal programs	60	68	64

	1957 actual	1958 estimate	1959 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Engineering and natural resource surveys—Continued			
Grants-in-aid	$1	$3	$3
Total engineering and natural resource surveys	61	71	67
Total expenditures for other developmental purposes	3,806	4,402	4,967
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture:			
Direct Federal programs:			
Farm Credit Administration [1]	123	−6	−5
Department of Agriculture:			
Commodity Credit Corporation:			
International Wheat Agreement	90	111	113
Sales for foreign currency	1,338	1,226	975
Price support and other	975	985	751
Soil bank program:			
Conservation reserve	24	75	199
Acreage reserve	511	545	405
Sugar Act	67	71	75
Other	132	178	164
Other agencies	5	4	2
Total direct Federal programs	3,265	3,190	2,678
Grants-in-aid: Department of Agriculture:			
Removal of surplus agricultural commodities	151	133	133
Forest Service	10	1	(2)
Commodity Credit Corporation	120	142	193
Other	17	11	11
Total grants-in-aid	299	288	337
Total agriculture	3,564	3,478	3,016
Business:			
Civil: Direct Federal programs:			
Small Business Administration	4	5	4
Department of Commerce:			
Air navigation aids	116	154	196
Payments to air carriers	39	38	41
Maritime activities: Ship operating subsidies and administration	114	126	124
Other	36	39	47
Department of Defense—Civil Functions:			
Rivers and harbors and flood control: Maintenance and operation	68	76	69
Panama Canal Company	−14	−7	−12
Other	−1	1	−2
Post Office Department: Excluding Government mail and nonbusiness services and the proposed postal rate adjustment	502	648	−54
Treasury Department: Coast Guard: Navigation aids	130	137	141
Other agencies	1	2	2
Total civil, direct Federal programs	995	1,219	556
Major national security: Funds appropriated to the President: Expansion of defense production, administrative expenses and losses on transactions	17	45	46
Total business	1,011	1,264	602

[1] See footnote 1 on p. 902.

[2] Less than one-half million dollars.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1957 actual	1958 estimate	1959 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Labor:			
Direct Federal programs	$14	$9	$9
Grants-in-aid:			
Department of Labor: Administration of unemployment compensation and employment service	248	287	319
Treasury Department: Payment to unemployment trust fund	71	49	25
Total grants-in-aid	320	336	344
Total labor	333	344	353
Homeowners and tenants:			
Direct Federal programs:			
Federal Home Loan Bank Board	−33	−38	−43
Housing and Home Finance Agency:			
Federal National Mortgage Association	−32	−39	−29
Federal Housing Administration	−112	−99	−123
Other	7	12	15
Other agencies	(2)	(2)	(2)
Total direct Federal programs	−170	−164	−180
Grants-in-aid: Housing and Home Finance Agency:			
Public housing	87	99	109
Urban renewal fund	30	46	54
Total grants-in-aid	116	145	163
Total homeowners and tenants	−54	−19	−17
Veterans:			
Direct Federal programs:			
Veterans Administration:			
Readjustment benefits	800	758	657
Compensation and pensions	2,870	3,107	3,232
Hospital and medical care	666	787	785
Other	278	189	173
Department of Labor:			
Unemployment compensation for veterans	53	44	18
Other	(2)	1	1
Other agencies	4	2	3
Total direct Federal programs	4,671	4,888	4,869
Grants-in-aid: Veterans Administration	8	9	9
Total veterans	4,679	4,897	4,878
International:			
Civil:			
Funds appropriated to the President:			
Mutual security: Economic, technical, and other programs	406	365	485
Other	7	(2)	−1
Export-Import Bank	−60	−62	−64
Department of Agriculture:			
Commodity Credit Corporation: Emergency assistance to friendly peoples	125	105	106
Department of Commerce	15	25	25
Other agencies	10	8	9
Total international, civil	503	442	559
Major national security:			
Funds appropriated to the President: Mutual security: Mutual defense assistance	3,488	3,121	3,052
Department of Defense—Military Functions: Military public works (infrastructure)	6	18	18
Total international, major national security	3,495	3,139	3,070
Total international	3,998	3,581	3,629

	1957 actual	1958 estimate	1959 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services:			
Direct Federal programs:			
Department of Health, Education, and Welfare	$54	$63	$63
Department of the Interior	25	26	29
Other agencies	19	21	25
Total direct Federal programs	98	109	117
Grants-in-aid:			
Funds appropriated to the President: Disaster relief	10	15	15
Federal Civil Defense Administration			16
Department of Agriculture: School lunch program	98	99	99
Department of Health, Education, and Welfare:			
Public assistance	1,556	1,820	1,806
Total grants-in-aid	1,664	1,933	1,936
Total other aids and special services	1,763	2,043	2,053
Total current expenses for aids and special services	15,294	15,588	14,513
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance, and operation of physical assets (excluding special services):			
Civil:			
Related to benefit programs:			
Tennessee Valley Authority	−97	−101	−112
Department of Commerce	36	5	8
Department of Defense—Civil Functions	50	46	53
Department of the Interior	85	94	98
Other agencies	3	4	4
Total related to benefit programs	76	48	51
Other:			
General Services Administration	132	147	149
Department of Agriculture: Forest Service	68	72	70
Other agencies	16	19	19
Total other	216	237	238
Total repair, maintenance, and operation, civil	292	285	289
Major national security:			
Atomic Energy Commission	36	47	53
Department of Defense—Military Functions:			
Operation and maintenance	9,248	9,284	9,237
Working capital (revolving) funds	−1	(2)	−1
Total repair, maintenance, and operation, major national security	9,284	9,331	9,289
Total repair, maintenance, and operation of physical assets	9,576	9,616	9,578
Regulation and control:			
The judiciary	38	43	45
Interstate Commerce Commission	15	17	18
National Labor Relations Board	9	9	10
Department of Agriculture	64	68	71
Department of Commerce	22	27	30
Department of Health, Education, and Welfare	9	13	14
Department of Justice:			
Federal Bureau of Investigation	97	101	102
Other	115	119	122
Department of Labor	11	11	11
Treasury Department	92	99	100
Other agencies	31	35	37
Total regulation and control	504	542	560

(2) Less than one-half million dollars.

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1957 actual	1958 estimate	1959 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities:			
International activities:			
Funds appropriated to the President	$7	$15	$11
United States Information Agency	103	96	101
Department of State:			
International educational exchange activities	17	21	20
Contributions to international organizations	37	48	41
Other	108	122	124
Total international activities	271	304	296
Federal financial activities:			
General Accounting Office	33	35	38
Renegotiation Board and Tax Court of the United States	5	5	4
Treasury Department:			
Internal Revenue Service	305	323	324
Other	89	95	91
Total Federal financial activities	432	458	458
Other direct Federal programs:			
Legislative branch	72	79	82
Executive Office of the President	10	11	11
Civil Service Commission	17	19	19
Federal Civil Defense Administration	17	14	17
Selective Service System	28	27	28
General Services Administration	39	50	56
Department of Commerce	38	32	40
Department of Defense—Civil Functions:			
Claims	14	(2)	(2)
Other	28	29	31
Department of the Interior	11	12	12
Treasury Department: Claims and judgments	38	13	5
Other agencies	5	6	6
Total other direct Federal programs	318	292	307
Retirement, unemployment, and accident compensation for Federal employees:			
Civil Service Commission: Payment to civil service retirement and disability fund and annuities under special acts	527	2	2
Department of Labor:			
Employees' compensation claims and expenses	55	58	57
Unemployment compensation for Federal employees	25	42	28
Treasury Department: Coast Guard retired pay and Secret Service annuities	25	27	28
Other agencies	3	3	4
Total retirement, unemployment, and accident compensation for Federal employees	635	132	119
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Con.			
Shared revenues and grants-in-aid:			
Department of Agriculture	$29	$28	$28
Department of the Interior	60	66	66
Treasury Department	19	20	20
District of Columbia: Federal payment	13	13	18
Other agencies	6	7	8
Total shared revenues and grants-in-aid	127	134	139
Total operation and administration of other civil activities	1,784	1,319	1,318
Other major national security operation and administration:			
General Services Administration	37	37	36
Department of Defense—Military Functions:			
Military personnel (excluding research and development)	10,188	10,148	10,328
Reserve components (excluding construction)	975	1,079	1,081
Departmentwide activities (excluding construction)	849	947	958
Working capital (revolving) funds (excluding acquisition and maintenance of physical assets)	−317	−448	−229
Total other major national security operation and administration	11,732	11,763	12,175
Interest:			
On the public debt	7,244	7,800	7,800
Other interest:			
On refunds	57	61	62
On uninvested funds	6	6	7
Total other interest	64	67	69
Total interest	7,308	7,867	7,869
Total other services and current operating expenses	30,903	31,107	31,500
UNDISTRIBUTED			
Major national security: Department of Defense: Proposed civilian personnel pay adjustment			205
Allowance for proposed legislation and contingencies:			
Pay adjustment.			
Postal			160
Other (excluding Department of Defense)			179
Defense contingencies			500
Other contingencies		200	300
Total undistributed		200	1,344
Total	69,433	72,788	73,934

[2] Less than one-half million dollars.

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Special Analysis E

FEDERAL CREDIT PROGRAMS

Introduction

Federal credit programs make important contributions to the achievement of public policy objectives. As part of the Federal programs for improvement of housing and encouragement of home ownership, Federal agencies have insured or guaranteed more than 40% of all outstanding home-mortgage loans. Similarly, financial assistance in the form of credit is an important part of the Federal program of encouraging efficient family-size farm units. Loans have helped to restore international economic stability and to promote the economic development of underdeveloped areas since World War II. Federal credit aids to business are primarily to help meet defense needs and to assist small businesses to obtain financing; they account for only a very small part of business credit. In addition to influences in these specific areas, Federal credit programs exert a powerful influence on the general level of economic activity.

The impact of Federal credit programs on the Federal budget is relatively small when compared with the large amount of credit extended or guaranteed. The most important reason is the predominance of Federal insurance and guaranties of private loans in recent years, discussed more fully later in this analysis. Such programs normally involve little or no budget expenditures except in cases when defaults require the guaranteeing or insuring agencies to take over private loans. Secondly, a significant share of new commitments, both for insurance and guaranties and for direct loans, are canceled or expire without being used by the lending institution or the borrower. Finally, collections on loans in most cases directly offset disbursements on new loans, with the result that net expenditures are much less than gross expenditures; often net receipts occur.

Federal credit programs are intended to supplement rather than to substitute for private credit. They have expanded greatly in the postwar period. Direct loans outstanding increased from about $5 billion in 1945 to more than $17 billion on June 30, 1957. However, this amount was only about 4% of the estimated private debt of $421 billion outstanding on that date. Private loans partly or wholly guaranteed by Federal agencies have increased more than ninefold since 1945 to $56 billion, comprising 13% of total private debt.

The President has made a number of general legislative recommendations affecting Federal credit programs. They are discussed on pages M29–M30 of the budget message.

Coverage of Special Analysis

This special analysis presents a broad picture both of direct Federal loans and mortgage purchases, and of Federal loan insurance and loan guaranty programs. It summarizes new commitments, disbursements and repayments, loans outstanding and guaranties in force, new commitment authority, and status of credit authority of 19 major Federal credit programs.

The analysis covers major credit programs of wholly owned Government enterprises, whether corporate or noncorporate. Included also are major credit operations of other departments and agencies, not primarily engaged in lending activities, such as the Treasury Department loan to the United Kingdom in 1947. Loan programs of important quasi-public agencies are excluded from the tables, but are discussed separately. With this exception, the 19 programs included account for nearly all new commitments of Federal credit agencies in 1959.

One change in coverage has been made in this year's analysis. Loan guaranties by the Civil Aeronautics Board were authorized in September 1957; this program is therefore included in the analysis for the first time.

The analysis excludes interagency credit used to finance budget expenditures, such as borrowing from the Treasury by other Government agencies, whether for loan or other programs. Credit extended to help finance sales by the Federal Government is also generally excluded.

SUMMARY

Total new commitments for major Federal credit programs for 1959 are estimated at $16.5 billion (table 1). Of this total, credit aids for housing and related programs, including loans and guaranties by the Housing and Home Finance Agency and the Veterans Administration, account for $11.4 billion, or about 69%. Credit aids for agricultural programs account for $2.8 billion, or 17%. The decrease in new commitments during the 3-year period is accounted for primarily by the sharp decline in guaranties by the Veterans Administration.

Table 1.—*Commitments and expenditures for major Federal credit programs classified by agency or program*

[In millions]

Agency or program	New commitments			Net expenditures		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Housing and Home Finance Agency	$7,590	$9,943	$10,584	−$22	$200	$443
Veterans Administration	5,376	2,323	844	83	153	4
Department of Agriculture	3,182	2,885	2,825	146	3	170
Department of Commerce	77	490	260		1	3
Expansion of defense production	157	128	101	−13	−16	−20
Small Business Administration	172	190	190	71	87	60
Treasury Department				−95	−8	−64
Export-Import Bank	1,099	949	833	−40	455	125
Department of State	413	645	886	166	596	646
Total	18,066	17,553	16,523	296	1,471	1,367
Other agencies or programs				−107	60	49
Adjustments for repayments going directly into miscellaneous receipts				315	309	388
Adjustments for disbursements in foreign currencies				−131	−381	−390
Total budget expenditures				373	1,459	1,414

As indicated in detail in table 3 below, expenditures of major credit programs will exceed receipts by $1,367 million in 1959, somewhat less than in 1958. The sharp increase over 1957 is due in large part to increased disbursements by the International Cooperation Administration in the Department of State and the Federal National Mortgage Association in the Housing and Home Finance Agency.

New Commitments

New commitments provide the best single measure of the trends in most Federal credit programs. They also provide the best indication of trends in the economic impact of these programs, since changes in the magnitude of new commitments usually lead to corresponding changes

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Special Analysis E—Continued

FEDERAL CREDIT PROGRAMS—Continued

in the volume of loans disbursed by either public agencies or private lenders.

In this study, commitments are defined as approvals by Federal agencies of direct loans or of insurance or guaranties of private loans. They are shown on a gross basis, including commitments which do not result in an actual credit extension. The amounts shown are the principal amounts of the loans; for several guaranty and insurance programs these exceed the Government's contingent liability, since the unguaranteed or uninsured portions are also included.

As table 2 indicates, commitments for Federal guaranties and insurance of private loans account for about 73% of total new commitments in 1959. This high proportion arises from the legal requirements or administrative policy wherever possible of making direct loans only where private credit, even with Government guaranty or insurance, is not available on reasonable terms, and from revisions in interest rates and other terms designed to make guaranteed and insured loans more attractive to private lenders.

Direct loans and investments.—New commitments of $4.5 billion for direct loans and investments will be somewhat below the 1957 and 1958 level. Commitments in the secondary market operations of the Federal National Mortgage Association are estimated to decline by nearly $600 million in the 3-year period, and the authority of the Veterans Administration to make direct loans will expire by the end of 1958. These decreases are offset in part by increases in all other housing programs, and the expanded operations of the Development Loan Fund in the International Cooperation Administration.

Guaranties and insurance.—New commitments for Federal guaranties and insurance of private loans are expected to decline during the 3-year period, from $13.2 billion in 1957 to $12 billion in 1959. Commitments by the Veterans Administration loan guaranty program—formerly the largest—have been steadily falling because the 4½% maximum interest rate is unattractive to private lenders. In 1959, commitments will be further reduced because the authority to guarantee loans to veterans of World War II will expire on July 25, 1958. At the same time the demand for mortgage insurance by the Federal Housing Administration has been increasing, but not enough to offset the full decline in veterans loan guaranty activity.

Overlap in commitments.—Total commitments may overstate by $1 to $2 billion the net amount of credit assistance by the Federal Government, especially for housing credit. This is because two or more types of Federal assistance are sometimes provided for the same borrower or the same property at different stages in the financing process. No adjustment is made for this overlap, since the amount in any single year is difficult to estimate.

A substantial share of the housing initially constructed with the aid of mortgage insurance by the Federal Housing Administration in the past has later been sold to veterans who finance their purchases with mortgages guaranteed by the Veterans Administration. The Federal National Mortgage Association purchases only mortgages previously insured by the Federal Housing Administration or guaranteed by the Veterans Administration.

Similarly, local housing authorities normally finance most or all of the construction of low-rent units with temporary loans made or directly guaranteed by the Public Housing Administration. These temporary obligations, however, are refinanced by sale of long-term obligations to private investors on the security of Federal annual contribution contracts.

Table 2.—*New commitments for major Federal credit programs classified by type of assistance, major agency or program*

[In millions]

Agency or program	1957 actual		1958 estimate		1959 estimate	
	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance
Housing and Home Finance Agency:						
Federal National Mortgage Association	$1,265		$1,112		$661	
Urban Renewal Administration	89	$58	202	$60	230	$95
Community Facilities Administration	219		278		293	
Federal Housing Administration	28	5,421	43	7,526	44	8,088
Public Housing Administration	202	308	264	458	431	742
Veterans Administration	169	5,207	154	2,169		844
Department of Agriculture:						
Rural Electrification Administration	382		360		235	
Farmers' Home Administration	320	35	288	21	235	47
Commodity Credit Corporation	545	1,900	440	1,776	520	1,788
Department of Commerce:						
Maritime Administration		77		470		220
Civil Aeronautics Board				20		40
Expansion of defense production		157		128		101
Small Business Administration	141	31	158	32	158	32
Export-Import Bank	1,067	32	929	20	818	15
Department of State: International Cooperation Administration	413		645		876	10
Total by type of assistance	4,840	13,226	4,873	12,680	4,501	12,022
Grand total	18,066		17,553		16,523	

Disbursements and Repayments

Direct loans and investments can have a major impact on the Federal budget, since the difference between disbursements and repayments represents Federal expenditures or receipts. Federal guaranties and insurance of private loans, on the other hand, ordinarily have only a minor effect on Federal expenditures, since they result primarily in expenditures by private financial institutions. Only if they have been taken over by Federal agencies, as a result of defaults or otherwise, are they reflected in budget expenditures. Net expenditures for Federal credit assistance give, therefore, only a partial picture of the economic impact of these programs.

Net expenditures of all Government lending programs—with the exception of loans from trust funds or by quasi-public agencies—are included in the budget totals. In most cases, collections are offset directly against expenditures; in a few major programs, however, they go directly to miscellaneous receipts and, therefore, do not affect budget expenditures. In the case of foreign loans, disbursements in foreign currencies are included in the analysis but are not included in the budget.

In table 1 of this analysis, expenditures for loans are shown on a net basis, that is, they reflect loan disbursements less repayments of old loans. However, to indicate more clearly the total volume of loans, table 3 shows both gross loan disbursements and repayments (including those going directly to miscellaneous receipts of the Treasury). The difference between these two columns represents the net addition to or reduction in Federal loan assets (excluding primarily chargeoffs and recoveries) for the major

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

credit programs during the fiscal year. To bring total expenditures for loans into line with budget expenditures, net expenditures of minor Federal programs and adjustments for repayments going directly to miscellaneous receipts and for disbursements in foreign currencies are shown.

TABLE 3.—*Disbursements and repayments for major Federal credit programs classified by agency or program*

[In millions]

Agency or program	1957 actual		1958 estimate		1959 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
Housing and Home Finance Agency:						
Federal National Mortgage Association	$963	$1,120	$724	$745	$666	$497
Urban Renewal Administration	32	23	73	66	87	94
Community Facilities Administration	99	2	178	2	246	3
Federal Housing Administration	28	3	43	4	44	5
Public Housing Administration	250	246	394	395	499	500
Veterans Administration	118	35	193	40	52	48
Department of Agriculture:						
Rural Electrification Administration	259	86	330	93	367	100
Farmers' Home Administration	309	239	323	246	244	252
Commodity Credit Corporation	2,512	2,609	2,231	2,542	2,147	2,236
Department of Commerce: Maritime Administration	-------	-------	1	-------	3	-------
Expansion of defense production:						
Direct loans and advances	28	40	9	25	2	22
Guaranties of defense production loans	1	2	4	4	3	3
Small Business Administration	94	23	134	47	126	66
Treasury Department:						
Reconstruction Finance Corporation liquidation	-------	46	-------	8	-------	13
Loan to United Kingdom	-------	49	-------	-------	-------	51
Export-Import Bank	231	271	762	307	526	401
Department of State: International Cooperation Administration	182	16	620	24	680	34
Total	5,106	4,810	6,019	4,548	5,692	4,325
Net addition to loans and investments:						
Major agencies or programs	296		1,471		1,367	
Other agencies or programs	−107		60		49	
Adjustment for repayments going directly into miscellaneous receipts	315		309		388	
Adjustment for disbursements in foreign currencies	−131		−381		−390	
Total budget expenditures	373		1,459		1,414	

In both tables 1 and 3, expenditure figures represent disbursements and repayments of loans only, and exclude all income and expense items. Losses actually incurred and written off are not included, because no cash transaction is involved.

In 1959, gross loan disbursements of major Federal credit programs are estimated at $5,692 million and repayments at $4,325 million. Net expenditures of $1,367 million are thus a relatively small fraction of the gross level of activity. Of the total repayments, $388 million will go directly to miscellaneous receipts, chiefly repayments of loans by the Farmers' Home Administration, the Rural Electrification Administration, and the Treasury loan to the United Kingdom. Disbursements of loans in foreign currencies are estimated at $390 million. Allowing for these adjustments, together with net expenditures of $49 million for relatively minor credit programs, net budget expenditures for loans will amount to an estimated $1,414 million.

Gross disbursements for 1959 will be somewhat lower than in 1958, primarily because the expenditures of the Export-Import Bank in 1958 include disbursements under a $500 million loan to the United Kingdom. Repayments in 1959 are also expected to be lower; most of the decline during the 3-year period results from lower repayments to the Treasury by the secondary market activity of the Federal National Mortgage Association.

Current levels of repayments are small when compared with current disbursements in the case of active programs with predominantly long-term loans such as the Rural Electrification Administration, the International Cooperation Administration, or the college housing loan program of the Community Facilities Administration. On the other hand, repayments substantially exceed disbursements in the case of liquidating programs, such as the former Reconstruction Finance Corporation and the loan to the United Kingdom, and relatively inactive programs such as loans and advances under the Defense Production Act.

Neither current repayments nor net expenditures provide any measure of the ultimate recoverability of the loans made. As indicated in the detailed statements on individual programs, interest or premiums cover expenses and losses for many programs. In some, the legislative mandates make losses probable from time to time, such as the nonrecourse loans of the Commodity Credit Corporation and the loan-guaranty programs of the Veterans Administration.

LOANS OUTSTANDING AND GUARANTIES IN FORCE

The best index of the level of Federal credit programs over a period of years is provided by the total of their outstanding loans, guaranties, and insurance in force.

Outstanding loans by the end of 1959 are estimated at $20.3 billion, about $2.8 billion more than at the end of 1957. Most of the increase over the 3-year period is in foreign loans by the Export-Import Bank and the International Cooperation Administration. About one-half of the loans outstanding are to foreign borrowers, including the loan of $3.4 billion to the United Kingdom, loans of $3.2 billion by the Export-Import Bank, and $3.4 billion by the International Cooperation Administration.

Guaranties and insurance in force are estimated to increase to $66 billion by the end of 1959. The increase of $10 billion in the 2 years since the end of 1957 reflects primarily increased guaranties of mortgage loans by the Federal Housing Administration and the Veterans Administration. These two programs account for more than 90% of all outstanding guaranties and insurance, and most of the remainder are long-term obligations of the Public Housing Administration.

The amounts shown include both the guaranteed and unguaranteed portion of outstanding loans in order to give a clearer picture of the economic impact of these programs and to tie in better with banking statistics. They do not, however, indicate the estimated contingent liability of the Federal Government, which is shown in table 6. The major program for which the contingent liability differs materially from the principal amount of the loans is the veterans loan guaranty program. By the end of 1959, the Government liability will be about $15.3 billion lower than the outstanding amount of such loans.

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Special Analysis E—Continued

FEDERAL CREDIT PROGRAMS—Continued

Table 4.—*Outstanding loans, guaranties and insurance for major Federal credit programs classified by agency or program*

[In millions]

Agency or program	1957 actual		1958 estimate		1959 estimate	
	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance
Housing and Home Finance Agency:						
Federal National Mortgage Association	$2,505		$2,484		$2,653	
Urban Renewal Administration	49	$108	56	$168	49	$263
Community Facilities Administration	210		386		629	
Federal Housing Administration	284	21,013	290	23,779	313	26,869
Public Housing Administration	94	2,795	93	3,049	92	3,471
Veterans Administration	628	30,960	820	32,760	870	33,670
Department of Agriculture:						
Rural Electrification Administration	2,586		2,823		3,090	
Farmers' Home Administration	815	156	880	158	863	187
Commodity Credit Corporation	1,634	360	1,317	208	1,227	242
Department of Commerce:						
Maritime Administration		36	1	225	4	600
Civil Aeronautics Board				13		44
Expansion of defense production	276	432	257	479	235	442
Small Business Administration	155	43	256	55	316	57
Treasury Department:						
Reconstruction Finance Corporation liquidation	69	8	42	4	29	3
Loan to United Kingdom	3,470		3,470		3,419	
Export-Import Bank	2,605	28	3,060	28	3,183	56
Department of State: International Cooperation Administration	2,123		2,719		3,365	10
Total by type of assistance	17,503	55,939	18,954	60,926	20,337	65,914
Grand total	73,442		79,880		86,251	

Table 5.—*New commitment authority for major Federal credit programs classified by type of authorization, agency, or major program*

[In millions]

Agency or program	1957 actual		1958 estimate		1959 estimate	
	Budget authorizations	Other	Budget authorizations	Other	Budget authorizations	Other
Housing and Home Finance Agency:						
Federal National Mortgage Association	$450		$1,465		$90	
Community Facilities Administration	250		175		200	
Federal Housing Administration		$1,228		$39		$2,294
Public Housing Administration	4	156		120		448
Veterans Administration:						
Direct loans	149					
Loan guaranties and insurance		2,837		1,179		459
Department of Agriculture:						
Rural Electrification Administration	514		239		206	
Farmers' Home Administration	686	150	209	150	175	150
Commodity Credit Corporation	2,865		1,785		1,760	
Department of Commerce: Civil Aeronautics Board				18		36
Expansion of defense production: Guaranties of defense production loans		118		95		76
Small Business Administration	95	23	100	23	50	23
Export-Import Bank			2,000	68		
Department of State: International Cooperation Administration	323	113	353	452	625	405
Total by type of authorization	5,336	4,625	6,326	2,144	3,106	3,891
Grand total	9,961		8,470		6,997	

The probability that the Government will be called upon to take over any substantial part of the guaranteed or insured portion of outstanding loans is small, except possibly in a national financial emergency. Sizable assets are available to minimize any potential losses. Moreover, in the case of most mortgage insurance programs charging premiums, income in the past has been sufficient not only to cover expenses and current losses, but also to build up substantial reserves.

New Commitment Authority

New commitment authority includes any additional loan or loan guaranty authority made available or recommended. There are several kinds of new commitment authority. Budget authorizations are those included in budget totals of new obligational authority; they consist either of appropriations or of authorizations to expend from public debt receipts. Other authorizations, which do not normally give rise to budget expenditures, consist of insurance and guaranty authorizations and conditional authorizations which become available only under specified conditions.

Table 5 summarizes new commitment authority of the 14 major credit programs which will need additional authority during the period. New commitment authority required for 1959 is estimated at $7 billion, compared to $8.5 billion in 1958 and $10 billion in 1957. The major changes during the period are the sharp decline in the Veterans Administration guaranties as the authority for World War II veterans expires, the $2 billion new authority for the Export-Import Bank recommended for 1958, the net increase of $2.3 billion required for the Federal Housing Administration in 1959 as existing authority is used up, and the 1958 peak of $1.5 billion in new authority for the Federal National Mortgage Association provided by the Congress.

New commitment authority for most credit programs is provided by Congress in the basic legislation rather than in appropriation acts. For example, the lending authority of the Export-Import Bank, the borrowing authority of the Commodity Credit Corporation and the Public Housing Administration, and the various mortgage insurance authorizations of the Federal Housing Administration are all prescribed in the statutes governing these programs. Since new commitments can generally be financed out of uncommitted balances of prior authorizations, or out of funds made available by collections on outstanding loans, requests for new commitment authority in any one year are limited to relatively few credit programs. For example, in 1959, new commitment authority is requested for only seven major programs—the Rural Electrification Administration, the Farmers' Home Administration, the Small Business Administration, the Community Facilities Administration, the Federal Housing Administration, the Federal National Mortgage Association, and the International Cooperation Administration; in addition, restoration of capital impairment is requested for the Commodity Credit Corporation.

In several important cases, the authority provided by the basic statute is indefinite. The most important examples are guaranties and insurance of loans by the Veterans Administration, guaranties of defense production loans under section 301 of the Defense Production Act, and indirect guaranties of local housing authority obligations issued on the security of annual contribution contracts of the Public Housing Administration. In these cases, the tabulations show new authorizations equal to the net amount of the guaranteed or insured portion of new commitments.

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Special Analysis E—Continued

FEDERAL CREDIT PROGRAMS—Continued

A second type of new authority indefinite in amount exists in the case of loan programs where the authority can also be used for grants, purchase commitments, or other nonlending purposes. Major examples during the 3-year period are the programs of the Commodity Credit Corporation and mutual security loans by the International Cooperation Administration. In these programs all the new obligational authority provided could legally be used for loans, but is not likely to be so used. Mutual security loans by the International Cooperation Administration in the 3-year period account for only a relatively small part of the total assistance program, so that it would be misleading to include the total amount of the mutual security program as new obligational authority for loan assistance. The data, therefore, show amounts for new authority adequate to finance estimated new commitments. Loans and guaranties by the Commodity Credit Corporation account for a substantial part of its program. Its total new obligational authority is, therefore, included, even though some of it will be used for nonlending purposes.

Status of Credit Authority

Unlike most other Government programs, commitment authority for the major credit programs is not normally provided for a single year, but remains available in most instances until utilized or until the statutory authority for the program expires. Hence, with only a few exceptions, the existing authority represents the cumulative total of amounts made available in prior years.

Cumulative net authority.—Three major types of commitment authority have been provided for Federal credit programs. A majority of the major programs operate on a revolving-fund basis, that is, collections on outstanding loans and expirations of insurance commitments permit reuse of the original authority. Limitations on such programs are ordinarily in terms of maximum amounts of loans outstanding, maximum borrowings from the Treasury, or maximum amounts of insurance or guaranty liability. Leading examples include all lending programs of Government corporations and the insurance programs of the Federal Housing Administration.

In the case of several noncorporate loan and loan insurance programs, a maximum limitation is placed upon the total volume of loans and loan insurance commitments. Funds collected on such loans and expirations of such insurance are not available for reuse. Typical examples are the direct loan programs of the Rural Electrification Administration and the direct loan and insurance programs of the Farmers' Home Administration.

A few programs are not governed by any specific dollar limitations. These are limited only indirectly by the provisions of the statute or of the agency's regulations governing eligibility for Federal credit assistance. The amount committed depends primarily on the number of applications. The most important example is the loan guaranty and insurance program of the Veterans Administration. The loan guaranties authorized under section 301 of the Defense Production Act are also not specifically limited.

In the case of both the Commodity Credit Corporation and lending programs under the Defense Production Act, loans are financed from obligational authority which also finances nonlending programs. For the purposes of this analysis, the net authority available at the beginning of the year for these loan programs is set equal to the total available authority after deducting authority committed for nonlending programs. An exception is made for the mutual security loans by the International Cooperation Administration, because they account for only a small and indefinite part of the total assistance given under the mutual security program in recent years and in 1959; the authority at the beginning of the year is, therefore, shown as equal to loans outstanding and undisbursed commitments at the beginning of the year.

Table 6.—*Status of credit authority for major Federal credit programs classified by agency or program*

[In millions]

	1957 actual	1958 estimate	1959 estimate								
			1959 total	Housing and Home Finance Agency	Veterans Administration	Department of Agriculture	Department of Commerce	Expansion of defense production	Small Business Administration	Treasury Department	Export-Import Bank and Department of State
Cumulative net commitment authority at beginning of year:											
Definite limitation	$53,084	$56,215	$61,132	$39,100	$730	$8,717	$1,000	$441	$327	$3,517	$7,300
Indefinite limitation	20,714	23,053	24,627	2,478	18,437	----	18	433	42	----	3,219
New commitment authority during year:											
Definite limitation	6,366	6,423	5,511	2,545	----	2,291	----	----	50	----	625
Indefinite limitation	3,595	2,047	1,486	487	459	----	36	76	23	----	405
Adjustments	−4,491	−1,979	−3,614	−216	−221	−2,792	−2	−250	−28	−65	−40
Cumulative net authority at end of year	79,268	85,759	89,142	44,394	19,405	8,216	1,052	700	414	3,452	11,509
Cumulative charges against authority:											
Loans and investments:											
Outstanding	17,503	18,954	20,337	3,736	870	5,180	4	235	316	3,448	6,548
Undisbursed commitments	3,886	4,490	4,780	1,587	----	680	----	----	52	1	2,460
Guaranties and insurance:											
In force	41,859	46,041	50,619	30,603	18,500	429	640	336	42	3	66
Commitments outstanding	4,082	4,045	3,810	3,528	35	9	164	70	4	----	----
Total charges against authority	67,330	73,530	79,546	39,454	19,405	6,298	808	641	414	3,452	9,074
Uncommitted authority, end of year	11,938	12,229	9,596	4,940	----	1,918	244	59	----	----	2,435

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Special Analysis E—Continued

FEDERAL CREDIT PROGRAMS—Continued

Credit authority available at the beginning of 1959 is estimated at $85.8 billion (table 6). New commitment authority of $7 billion is estimated to become available during the year. On the other hand, estimated expirations, certain repayments, and other reductions in outstanding authority amount to $3.6 billion. The net authority available at the end of 1959 is, therefore, estimated at $89.1 billion.

Charges against authority.—In addition to the $71 billion of outstanding loans and guaranties (shown in detail in table 4 but excluding here the portion of private loans not guaranteed or insured by the Federal Government), charges against the available authority include undisbursed commitments. These are expected to total $8.6 billion on June 30, 1959, for loans and guaranties together.

Uncommitted authority.—For major Federal credit programs as a whole, commitment authority at the end of 1959 is estimated to exceed charges against the authority by $9.6 billion. Of this unused authority, about one-half is accounted for by several programs administered by the Housing and Home Finance Agency, including $2.3 billion by the secondary market activity of the Federal National Mortgage Association. A reduction of $1 billion in uncommitted authority of the Federal Housing Administration accounts for a significant part of the decline of uncommitted authority between 1958 and 1959.

Since the indefinite authority of loan guaranty programs not subject to specific limitations is shown as equal to charges against the authority, the total uncommitted authority in table 6 does not reflect the fact that these guaranty programs could be expanded substantially under present available authority. However, about 70% of the cumulative authority is subject to definite limitations.

Since this analysis is limited to major active or liquidating credit programs, substantial amounts of uncommitted standby authority of other programs are excluded. The most important examples are the $3 billion borrowing authority for the Federal Deposit Insurance Corporation, $1 billion for the Federal home-loan banks, and $750 million for the Federal Savings and Loan Insurance Corporation. These are unlikely to be used unless a national financial emergency occurs.

Quasi-Public Credit Programs

The Federal Government also has a measure of responsibility for the credit programs of certain mixed-ownership corporations and other public agencies operating in whole or in part with private funds. The most important are the Federal intermediate credit banks, the banks for cooperatives, the Federal land banks, the Federal home-loan banks, and the Federal Reserve banks. The secondary mortgage market activity of the Federal National Mortgage Association—also financed in part with private funds—is discussed with the other programs of the Association in the next section.

The 12 regional banks for cooperatives make loans to agricultural cooperatives. Most of the stock in the banks is still owned by the Federal Government and the banks are supervised by the Farm Credit Administration.

The 12 Federal intermediate credit banks extend credit to production credit associations and privately capitalized farm-lending institutions by discounting short-term notes to help finance the production needs of farmers. To finance their operations, the banks sell short-term debentures to the public. The banks may have obligations outstanding of not more than 10 times their capital and surplus. In accordance with the Farm Credit Act of 1956, the production credit corporations were merged in the Federal intermediate credit banks as of January 1, 1957, and provision was made for the retirement of Government capital in the banks and for their eventual ownership by the production credit associations. Because of this change in financial structure, the financial transactions of the banks have been omitted from the budget expenditure figures since January 1, 1957; since then, they have been recorded as trust fund transactions.

Table 7.—*Outstanding loans for major quasi-public credit programs classified by agency and program*

[In millions]

Agency	June 30, 1956	June 30, 1957
Farm Credit Administration:		
Banks for cooperatives	$349	$384
Federal intermediate credit banks	899	999
Federal land banks	1,638	1,868
Federal Home Loan Bank Board: Federal home-loan banks	1,173	1,079
Federal Reserve Board of Governors: Federal Reserve banks	233	559
Housing and Home Finance Agency: Federal National Mortgage Association (secondary market operations)	233	1,248
Total	4,525	6,137

The 12 Federal land banks are now privately owned, but are sponsored by the Government and operate under the supervision of the Farm Credit Administration. These banks provide mortgage credit to farmers at relatively low interest rates through individual national farm loan associations.

The 11 Federal home-loan banks are also now privately owned, but are supervised by the Federal Home Loan Bank Board and have authority to borrow $1 billion from the Treasury, if necessary. These banks make both short-term and long-term advances to member savings and loan associations on the security of home mortgages or Treasury obligations, as well as unsecured short-term loans.

All of the stock in the 12 Federal Reserve banks is provided by the member banks, but the policies of the Federal Reserve System are controlled by the presidentially appointed Board of Governors. Moreover, the Reserve banks, after paying 6% dividends to the member banks, pay 90% of their remaining profits to the Treasury, and their entire surplus reverts to the Treasury in the event of liquidation. As part of their normal central banking functions, the reserve banks stand ready to make short-term discounts and advances for member institutions and also have a small program of direct loans to industry. The amount of discounts, advances, and industrial loans outstanding on June 30, 1957, was $559 million, with discounts and advances low on that date. By October 31, they were $790 million.

Major Federal Credit Programs

HOUSING AND HOME FINANCE AGENCY

Major credit programs administered by five constituents of the Housing and Home Finance Agency are included in this analysis. In addition, there are a number of minor programs—most of which are in liquidation—which are administered in the Agency.

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

Federal National Mortgage Association.—Under the Housing Act of 1954, the Federal National Mortgage Association was reconstituted as three fiscally independent activities—special assistance functions, management and liquidating functions, and secondary market operations—under a single management.

The special assistance activity is intended to assist groups or areas otherwise unable to obtain private financing and to help prevent declines in housing activity. General authority is provided to make advance commitments, and purchases of mortgages not to exceed $450 million outstanding at any one time. Legislation is being proposed to increase the authorization by $90 million. This authority in 1958 and 1959 will be largely directed toward supporting mortgages on housing in urban renewal areas. The Association has, in addition, $450 million commitment authority for mortgages on military family housing and $200 million for cooperative housing. The military family housing authorization will be virtually exhausted by commitments estimated at $250 million in the current year, and no commitments under this authority are projected for 1959. Proposed legislation to authorize higher interest rates on such mortgages is expected to make private financing more readily available. Total new commitments under the special assistance functions in 1959 are estimated at $316 million.

The management and liquidating functions of the Association consist of the liquidation of the mortgages of the predecessor association. No new commitments can be made and mortgage purchase authority expires as mortgages are sold or repaid. Authority is provided to substitute private financing for Treasury borrowing through the sale of unguaranteed debentures. Purchases under outstanding commitments will be completed in 1958. The outstanding mortgage portfolio at the end of 1959 is estimated at $2,033 million compared with $2,183 million at the end of 1958.

The secondary mortgage market operations of the Association are partially privately financed. This unit helps to make mortgage funds available throughout the country at market rates of interest. It may purchase only Government-insured and guaranteed mortgages meeting the usual standards of private investors, and its operations must be self-supporting. The activity was financed initially by Government stock subscription, for which $208 million has been authorized; private mortgage sellers are also required to buy stock, with provision for ultimate retirement of the Government stock. The Association may issue nonguaranteed debentures; the Secretary of the Treasury may purchase up to $2.25 billion of these. Mortgage purchases are estimated to decline gradually from $993 million in 1957 to $490 million in the budget year. It is estimated that at the end of 1959 the Association's portfolio of mortgages will total $2,191 million. In 1959, as well as 1957 and 1958, the bulk of the mortgage purchases will be financed from debentures and stock sold privately, and are, therefore, reflected in trust expenditures.

Urban Renewal Administration.—Under the Housing Act of 1954, the Housing and Home Finance Administrator is authorized to make loans and grants to local public agencies for the planning and execution of slum clearance and urban renewal projects. Loans are made to cover the cost of project planning, for the temporary financing of project development, and for long-term financing of land leased rather than sold to redevelopers. In addition, private loans may be guaranteed through the pledge by local agencies of the Federal loan commitment. Borrowing authority of $1 billion is available for these purposes.

The level of loan activity is determined primarily by the number of projects in the development stage. Planning has been completed in an increasing number of communities, and many projects have entered the actual development stage, so that financing needs are increasing. New loan commitments are estimated to increase from $262 million in 1958 to $325 million in 1959. Net loan expenditures are expected, however, to remain at relatively low levels because of the short-term nature of the loans, and the increasing use of guaranteed private financing in lieu of direct Federal loans. Legislation is being proposed to permit Federal credit assistance for the financing of certain nonresidential projects not eligible for grants.

The current interest rate on temporary financing is 3½%. Administrative expenses are financed from a separate appropriation.

Community Facilities Administration.—The Housing Act of 1957 increased to $925 million the authorization for long-term loans to colleges and universities for the construction of dormitories and related facilities. The sharply increased demand for these loans, brought about by the reduction in interest rates under the Housing Amendments of 1955 is expected to continue through 1959. Loan commitments are estimated at $258 million in 1958 and $263 million in 1959. The current interest rate on these loans is 3%, well below current private market levels for even tax-exempt obligations of this type. Legislation is being proposed in this budget to provide an additional $200 million of authority and permit increases in interest rates sufficient to cover the cost of money to the Treasury and to make loans more attractive to private investors. The President is also proposing authority to guarantee private loans to certain colleges. The details are still under consideration and the amounts are not reflected in this analysis.

The Housing Amendments of 1955 authorized $100 million for loans to local governments for public facilities, such as water and sewage systems. Preference is given to communities with a population of less than 10,000. Commitments under this program are estimated at $20 million in 1958 and $30 million in 1959. Interest rates are required to cover all expenses of the program. Under present market conditions, interest rates have been set at 4½% for general obligation bonds of 30-year maturity and 5% for revenue bonds of the same period, with upward or downward adjustments for variation in the maturity period.

Federal Housing Administration.—The Federal Housing Administration is authorized to insure against default (a) the full principal amount of a wide variety of mortgage loans on new and existing housing, and (b) up to 90 percent of the principal amount on unsecured home-improvement loans. The basic program of insuring loans for 1- to 4-family housing accounts for the bulk of mortgage insurance activity, but insurance is also provided for mortgages on rental housing, housing under cooperative ownership, and housing on military reservations and in urban renewal areas. Approximately 16% of all outstanding home mortgages are insured by the Administration; it is estimated that these and other insured loans will increase from $21 billion in 1957 to $26.9 billion by the end of 1959.

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

In 1959 it is estimated that commitments will be made for insurance of mortgages on 612,600 dwelling units and for 1.2 million home-improvement loans.

The Administration's program is fully self-supporting. Insurance premiums, fees, and other income will cover all current expenses and add substantially to the reserve against future losses. In order to maintain the competitive status of insured mortgages relative to other investments, the maximum interest rate has been increased to 5¼% for insured home mortgages and 4½% for mortgages on rental housing, exclusive of the insurance premium and service charges. Legislation is proposed to permit further increases, if necessary, in interest rates for rental housing mortgages, as well as for cooperative housing mortgages and military housing mortgages.

Public Housing Administration.—Under the Housing Act of 1949, the Public Housing Administration makes loans and grants to assist local authorities in the construction of low-rent public housing. These loans and grants are made under annual contribution contracts between the Administration and local authorities. The annual contribution contracts provide for (1) loan commitments by the Administration not to exceed 90% of project development costs, and (2) the payment of annual Federal contributions over a 40-year period to cover debt service on the bonds used to finance the project permanently.

Loan commitments under annual contribution contracts are either disbursed as direct Federal advances or used to guarantee private temporary loans. Most frequently, a direct Federal advance is made initially and later refunded with guaranteed financing. Ordinarily long-term bonds are sold to private investors prior to completion of construction, and all temporary financing, both direct and guaranteed, is retired. However, under some circumstances, the period of temporary financing may be indefinitely extended. The Administration's borrowing authority for these purposes is $1.5 billion. Because of the increasing number of units under construction, the volume of temporary financing, including both public and private loans, will increase during 1958 and 1959.

Prior to completion of construction, the units are permanently financed by the local housing authority through the sale of 40-year serial bonds to private investors. While not directly guaranteed by the Federal Government, these local housing authority bonds are treated in this analysis as guaranteed obligations by virtue of the Government contract to pay annual contributions covering debt service. The outstanding permanent financing is expected to increase from $2.1 billion at the end of 1957 to $2.6 billion by the end of 1959, reflecting the completion and permanent financing of a large number of units started in earlier years.

On direct Federal loans, local authorities are charged at the present time an interest rate of 3½%. In the past year, interest rates on private temporary loans have averaged between 2% and 2⅝%, depending primarily on variations in market rates of interest. Long-term loans had an interest cost of between 2¾% and 2⅞% before bond sales were temporarily discontinued pending better market conditions.

VETERANS ADMINISTRATION

This analysis includes the loan guaranty and insurance programs, and the direct housing loan program authorized under the Servicemen's Readjustment Act of 1944, as amended. It excludes minor lending activities of the Veterans Administration, such as policy loans made by the veterans life insurance funds and a few very small inactive programs.

Loan guaranties and insurance.—The Administrator of Veterans Affairs guarantees housing, business, and farm loans made by private lenders to veterans of World War II and the Korean conflict. The World War II authority expires on July 25, 1958, but the authority for veterans of the Korean conflict continues until 1965.

By June 30, 1957, approximately 5,252,000 loans of all types had been guaranteed, of which 94% were for homes, 5% for businesses, and 1% for farms; housing loans currently account for nearly 99% of new commitments. It is estimated that the number of loans guaranteed annually will continue to decrease, from 441,350 in 1957 to 55,000 in 1959. This sharp decline reflects primarily the inadequacy of the interest rate on guaranteed loans, which is discussed below. There is no statutory limit on the aggregate amount of the loans. It is estimated that $33.7 billion will be outstanding by the end of 1959.

The maximum interest rate on guaranteed loans is designated by the Administrator of Veterans Affairs, within limits set by law. The current rate of 4½% represents the statutory maximum. Since it has not kept pace with prevailing market rates, the supply of private mortgage funds for this program has been sharply curtailed. To meet this problem, the President has recommended legislation to provide administrative discretion in setting interest rates.

Under existing legislation, the Government is liable for all losses on most loans up to 60% of the outstanding principal amount, or $7,500, whichever is less. No charge is made by the Government for its guaranty. Administrative expenses are paid from the general operating expenses appropriation of the Veterans Administration and claims are paid from a general appropriation for veterans' readjustment benefits. Net losses on claims paid up to June 30, 1957, amounted to about $37 million, or less than 1% of loans guaranteed and insured since the program's inception.

Direct housing loans.—In areas where the loan guaranty program is ineffective because of lack of private lending facilities, the Administrator of Veterans Affairs may make loans directly to veterans for the purchase, construction, or improvement of homes (including farm housing) at 4½% interest. Loans outstanding amounted to $522 million on June 30, 1957. New commitments in 1958 will exceed the number made in 1957, reflecting the decline in private mortgage funds available for guaranty at 4½% interest. No new commitments can be made after June 30, 1958, the termination date for the direct loan program.

DEPARTMENT OF AGRICULTURE

Three major credit programs of the Department of Agriculture are included in this analysis.

Rural Electrification Administration.—Since 1935, the Rural Electrification Administration has been making loans with 35-year maturities, chiefly to cooperatives, to provide electric service to farms and other rural establishments. Beginning in 1950, similar loans have been made to finance construction and improvement of rural telephone systems.

New obligational authority is provided annually in the budget to finance these programs. New commitments for

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

1959 will be $235 million; this is a reduction of $25 million from 1958, arising primarily from the President's legislative proposal to assist borrowers to obtain private financing. Most of the loan disbursements in 1959 will arise from commitments made in previous years; undisbursed commitments of $637 million at the end of 1959 will be reflected mainly in disbursements in 1960 and 1961.

Interest rates are set by statute at 2%, substantially below the present cost of long-term money to the Treasury of about 3½%. Administrative expenses are financed by a separate appropriation. Collections of principal and interest are deposited in miscellaneous receipts of the Treasury.

Farmers' Home Administration.—The Farmers' Home Administration makes loans to farmers unable to obtain credit on terms within their means from other sources for operating expenses and crop production, farm ownership and improvement, farm housing, and for soil and water conservation activities. Loans are intended to strengthen the family-type farm and encourage better farming methods. These loan programs are financed by annual authorizations, except that housing loans are financed from a 1957 authorization of $450 million. The Administration may also insure a maximum of $125 million a year in long-term mortgage loans under the farm ownership program and a maximum of $25 million a year under the soil and water loan program.

New direct loans are expected to amount to $185 million in 1959, compared with $240 million in 1958.

The interest rate on farm operating loans, which constitute the largest number of direct loans, is 5%; this is the legal maximum. Interest rates on direct farm ownership and soil and water loans have been set at 4½%. The maximum rate stipulated by law for farm ownership loans is 5%; no maximum rate is set for the soil and water loans. The Secretary of Agriculture has authorized interest rates on insured farm ownership and soil and water loans of 4½%, of which one-half of 1% represents insurance premiums and one-half of 1% a charge for administration. Interest rates on farm housing loans have been set at 4%, the maximum provided by law.

Administrative expenses of the Farmers' Home Administration are covered by separate appropriations. Collections of interest and principal go into miscellaneous receipts of the Treasury.

The Farmers' Home Administration also administers a revolving fund from which emergency loans may be made to farmers and stockmen suffering from production disasters and unable to obtain credit on reasonable terms from other sources. The interest rate is 3% on all loans except special livestock loans on which the rate is 5%. New commitments in 1959 are expected to be $50 million, which is at about the same level as in 1958, and repayments are estimated to exceed disbursements in both 1958 and 1959.

Commodity Credit Corporation.—In carrying out the Government's program of supporting prices of agricultural commodities, the Commodity Credit Corporation makes direct loans to farmers and guarantees loans made by private lending agencies. Loans and guaranties enable farmers to market their commodities in line with the standards set forth in law. Loans are backed by commodities and borrowers may discharge their obligations without personal liability by turning over pledged commodities to the Corporation. These forfeitures of collateral are treated as repayments of loans in this analysis. The Corporation also makes loans for the construction or improvement of farm-storage facilities.

No increase is being requested in 1959 in the Corporation's existing borrowing authority of $14.5 billion. However, a supplemental appropriation of $2.3 billion will be requested during 1958 to reimburse the Corporation for costs incurred in carrying out the programs of sales of surplus agricultural commodities for foreign currencies and other special programs in 1957, and a 1959 appropriation of $1.8 billion will be requested to restore the capital impairment of the Corporation resulting from price support losses in 1957. New loan and loan guaranty commitments in 1959 are estimated at $2,308 million, which is $92 million more than the estimate for 1958. Repayments of direct loans in 1959 are estimated at $2,236 million, slightly more than estimated disbursements.

There are no statutory limits on interest rates. Interest rates on 1957 crop loans will be continued at 3½%. This rate is charged the borrower only if the loan is repaid in cash; if repaid by surrender of collateral, no interest is charged. In the case of guaranties, the private lender receives interest at the rate of 2¾%, plus service charges.

DEPARTMENT OF COMMERCE

Maritime Administration.—The Secretary of Commerce is authorized by title XI of the Merchant Marine Act of 1936, as amended, to insure private construction loans and mortgages on most types of cargo and passenger-carrying vessels. The objective of this program is to facilitate private financing of construction, conversion, or reconditioning of vessels. The mortgages or loans may not exceed 75% of the cost to the purchaser of vessels built with Federal subsidies and 87½% of the construction costs of nonsubsidized vessels. The aggregate unpaid principal amount of insured mortgages and loans outstanding at any one time may not exceed $1 billion.

Amendments to title XI enacted in 1956 increased the authority of the Government to insure ship mortgages from 90% to 100% of the amount of the mortgage. Because of these amendments and the acceleration of the ship replacement program for the merchant marine, insured loans in force will increase from $36 million in 1957 to an estimated $600 million in 1959.

The maximum interest rate on guaranteed loans is set by statute at 5%, but the Secretary of Commerce has authority to increase the limit to 6% if private financing is not available at a lower rate. Insurance premiums are three-eighth of 1% per annum on construction loans and three-fourths of 1% per annum on mortgage loans. There has been one default since the inception of the program.

Civil Aeronautics Board.—Legislation enacted September 7, 1957, authorizes the Civil Aeronautics Board to guarantee loans on aircraft purchased by local service and other small airlines to replace uneconomical aircraft with more efficient equipment. Twenty-eight airlines are presently eligible for these loan guaranties, including domestic local carriers and carriers providing services to and within the Territories and metropolitan helicopter service.

The act authorizes the Board to guarantee loans up to $5 million per airline; the guaranty may not exceed 90% of the loan. Guaranties may be made only if the Board finds that the air carrier would not otherwise be able to obtain funds for the purchase of aircraft upon reasonable terms, and only if the aircraft purchased will

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

improve service and efficiency. New commitments in 1959 are estimated at $40 million. The authority of the Board to guarantee these loans will expire in 1962. The Board will charge a fee for the guaranty, but the rates for the fees have not yet been established.

EXPANSION OF DEFENSE PRODUCTION

Under the Defense Production Act, the President is authorized to make loans or advances and to guarantee loans for expansion of defense production. Numerous agencies participate in these programs. The act expires on June 30, 1958, but the President has recommended a 2-year extension.

Loan guaranties.—Under section 301 of the Defense Production Act, the three military departments of the Department of Defense, the Departments of Commerce, the Interior, and Agriculture, the Atomic Energy Commission, and the General Services Administration are authorized to guarantee loans by public or private financing institutions to defense contractors and subcontractors. The Federal reserve banks act as fiscal agents for the guaranties of private loans, and the procedure is governed by the Federal Reserve Board's regulation V. No specific limitation is placed on the amount of loan guaranties.

From the beginning of the program in September 1950 to the end of December 1957, about 1,500 V-loans, totaling $2.9 billion were authorized by the procurement agencies. More than 90% of the guaranties have been authorized by the Departments of the Air Force, the Army, and the Navy, primarily to speed the production of aircraft and aircraft parts, electronics and communication equipment, tanks, weapons, and ammunition. Guaranties by the General Services Administration to expand production of basic materials and metals and machine tools account for nearly all of the remainder. New commitments are expected to decline to $101 million in 1959, compared to $128 million in 1958 and $157 million in 1957.

To cover administrative expenses and possible losses, charges are made for guaranties, the rate depending upon the proportion of the loan guaranty. This proportion has averaged about 75%. The guaranteed portion of loans must be purchased by the procurement agency upon request of the lender. So far, income has substantially exceeded expenses. There is no statutory limit on the interest rate which financing institutions may charge, but a maximum interest rate of 6% and a commitment fee of one-half to 1% have been set administratively.

Loans and advances.—Under section 302 of the Defense Production Act, the President is authorized to make direct loans or to participate in private loans for the expansion of industrial capacity, development of technological processes or production of essential materials. The President has delegated this authority for loans to domestic borrowers to the Treasury Department and for foreign loans to the Export-Import Bank. Under section 303 of the same act, the General Services Administration has made advances on purchase commitments for strategic minerals and metals and industrial equipment. Outstanding loans will decline to $235 million by the end of 1959. No new commitments were made in 1957 and none are expected in 1958 and 1959, since most of the planned expansion is already underway.

There is no statutory limitation on the interest rate. Rates charged on both loans and advances have been generally 5%. No ultimate net cost is expected.

SMALL BUSINESS ADMINISTRATION

The Small Business Administration, created in 1953, is authorized to make loans to small businesses and to victims of natural disasters. The legislative authority for these programs expires on July 31, 1958, but the President has requested that the authority be extended.

Loans to small businesses are authorized up to a total of $305 million outstanding at any one time, but an increase has been requested so that loans may continue to be made in the future. The maximum Government participation in loans to any one borrower is $250,000, and the maximum maturity generally 10 years. Loans may be made only if financial assistance is not available from private sources on reasonable terms, and only if there is reasonable assurance of repayment. Moreover, direct loans are made only when it is not possible to secure participation from private banks. More than two-thirds of the loans made so far have been made jointly with private banks. The law provides for interest to be charged at the going local rate up to a maximum of 6%, which is the current rate. It is anticipated that 3,600 business loans will be approved in both 1958 and 1959, compared with 3,536 in 1957.

The Administrator also has broad authority to make loans to victims of floods or other natural disasters in areas which he has designated. There is no limit on the amount that may be loaned to each borrower, but the aggregate amount outstanding at any one time may not exceed $125 million. Loans for housing may have maturities up to 20 years, but other loans are limited to 10 years. Interest rates on disaster loans are set by law at not to exceed 3%.

Appropriations of $320 million have been made to finance the small business and disaster loan programs since the agency was established. An additional amount of $50 million will be needed to finance anticipated loans in 1959.

The Small Business Administration also administers disaster loans and some business loans made by the former Reconstruction Finance Corporation. On July 1, 1957, these amounted to $21.5 million.

TREASURY DEPARTMENT

The only credit programs administered by the Treasury Department and included in this analysis are the liquidation of certain Reconstruction Finance Corporation loans and the 1947–48 loan to the United Kingdom. The Treasury Department is also authorized to make civil defense loans, up to $250 million outstanding at any one time, upon certification by the Federal Civil Defense Administrator; however, no new commitments for civil defense loans are anticipated for 1958 and 1959.

Reconstruction Finance Corporation Liquidation Fund.—The Reconstruction Finance Corporation Liquidation Act terminated the authority of the Corporation to make loans, effective September 28, 1953. Liquidation of business and public agency loans was placed under the direction of the Secretary of the Treasury. During 1957, loans and commitments outstanding were reduced from $118 million to $70 million. On July 1, 1957, the Corporation itself was abolished pursuant to Reorganization Plan No. 1 of 1957. Loan assets were transferred, for further liquidation, as follows: to the Treasury Department, $51 million; to the Small Business Administration, $14.6 million; and to the Housing and Home Finance Agency, $4.6 million. It is estimated that the Treasury Depart-

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

ment's portfolio of loans and commitments will be reduced from $51 million on July 1, 1957, to about $30 million on June 30, 1959.

Loan to United Kingdom.—A loan of $3,750 million was made to the United Kingdom in 1947 and 1948. It is a 50-year loan at 2% interest. Repayments of principal are deposited directly into miscellaneous receipts and are not available for new loans. In accordance with the agreement of March 6, 1957, between the United States Government and Great Britain, approved by the Congress, the interest payments for 1957 and 1958, as well as the repayment of principal for 1958, have been deferred. The agreement provides relief for the United Kingdom as warranted by its international exchange situation.

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank is the principal foreign lending agency of the Government. Its total loan and loan guaranty authority is $5 billion; of this, $100 million may be used to insure American exporters against certain risks of expropriation and confiscation. An additional $2 billion in lending authority has been recommended by the President. The Bank's major goal is the expansion of trade between the United States and foreign countries. It extends loans to finance American exports and imports and the development of sources of strategic materials, and to promote the economic development of underdeveloped countries. The Bank also makes loans to foreign governments to meet certain emergencies which otherwise would disrupt the normal flow of trade with the United States.

Beginning in 1958, the Bank will make loans in certain foreign currencies to private firms for economic development and trade expansion. The foreign currencies will become available as part of the proceeds of United States surplus agricultural commodity sales abroad under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).

The Bank's operations are intended to supplement private capital. Accordingly, it does not finance projects or exports for which private financing is normally available, and, wherever possible, emphasizes guaranties of private loans, rather than the making of loans directly. The high level of domestic demand for private capital has restricted private participation.

Interest rates and other loan terms are set upon advice of the National Advisory Council on International Financial and Monetary Problems. In general, the Bank charges 2% more than the yield of United States Government securities with comparable maturities; rates on long-term unguaranteed loans are usually somewhat higher. The current interest rates range from 5½% to 6%. Loan maturities vary from 12 or more months on export credits to a number of years on development project loans. Losses have been small and income is more than adequate to cover costs; reserves amounting to $465 million on June 30, 1957, have been set aside for future contingencies. Annual dividends are being paid to the Treasury at the rate of 2¼% on capital stock.

DEPARTMENT OF STATE

The International Cooperation Administration, in the Department of State, directs loans under the Development Loan Fund, the Agricultural Trade Development and Assistance Act, 1954, as amended (Public Law 480), and the Mutual Security Program

The Mutual Security Act of 1957 established the Development Loan Fund, for which $300 million has been appropriated. An additional $625 million is included in the budget for 1959. These funds are available for assisting sound development projects abroad on the basis of long-term credits repayable in dollars or foreign currencies. Loans will generally be for periods up to 20 years.

Under title I of the Agriculture Trade Development and Assistance Act of 1954, as amended, the President may enter into agreements to use the foreign currencies which accrue from the sale of surplus agricultural commodities for loans to promote multilateral trade and economic development. Strategic materials, services, or foreign currencies may be accepted in repayment of such loans. Most of the sales agreements under the program have provided for loans for development projects within the country. A portion of these loans made to foreign governments is in turn reloaned to private enterprise. In general, the terms of loans under this program are similar to those under the Mutual Security Program discussed below.

The International Cooperation Administration directs the bulk of the loans extended under the Mutual Security Program, the authority for which is in the President. The Administration and its predecessor organizations—the Foreign Operations Administration, the Mutual Security Administration, the Economic Cooperation Administration, and the Technical Cooperation Administration—have made loans to foreign governments as part of a broad program to assist in the restoration of economic stability and to promote the economic development of underdeveloped areas in the free world. About half of the loans outstanding were made during 1949, after passage of the Foreign Assistance Act of 1948. Most of the loans are administered by the Export-Import Bank as agent for the International Cooperation Administration. The earlier loans, made primarily to assist the European countries in the restoration of their economies subsequent to World War II, are generally for a period of 28 years. Current mutual security loans generally are for a period of 40 years, and basic materials development loans are for 10 to 20 years.

Interest rates for all these programs are determined by the Administration upon advice of the National Advisory Council on International Monetary and Financial Problems. In the case of most current Mutual Security and Public Law 480 loans, those repaid in dollars require 4% interest, and those repaid in local currencies require 5%. Interest rates on loans made from the Development Loan Fund have not yet been determined. Costs of administering the loans have been financed from funds available for the general administration of the agency. The first significant repayments began in 1956.

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Special Analysis F

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION

A diversity of works and structures results from the expenditures made by the Federal Government in carrying out national objectives and programs. Some needed public works are provided by direct Federal expenditures. Other public works are provided by State and local governments with Federal aid in the form of grants and loans. Most of these public works are built by the private construction industry under contracts with public agencies. The Federal Government also encourages certain types of nonpublic construction by providing financial aids of various kinds to nonprofit groups and private industry.

Federal expenditures for public works and other construction activities are long-term investments important to the national economy and to the construction industry. This special analysis, therefore, summarizes the authorizations and expenditures from budget accounts and trust funds for these activities, with major emphasis given to Federal and federally aided public works.

Direct Federal construction currently constitutes about 6% of the total value of new construction. Federally aided State and local public works represent another 4%, about half of which is financed from Federal grants. The Federal share varies substantially among these grant programs, depending upon program objectives and provisions of law.

The expenditures shown for public works and other construction in this analysis represent disbursements of Federal funds rather than the value of the work put in place during the year. For direct Federal construction such disbursements approximate the value of work put in place. However, they include only the Federal expenditures for federally aided public and nonprofit construction. Federal aid for private construction includes loans, loan guaranties, tax concessions, and lease-purchase contracts. The net budgetary effect of Federal programs to aid private construction is not an adequate measure of the construction activities stimulated by such Federal aid. For this reason, the information relating to these programs is not presented in tabular form in this analysis.

The volume and types of Federal activities in public works vary from year to year as national needs and objectives change. Table 1 summarizes the Federal budget and trust fund expenditures on public works for 1950 through 1959.

The 1959 budget recommendations provide for public works programs to be carried forward as economically as possible. Construction on some civil public works programs or projects will be stretched out where this can be done without loss of previous investments. Total public works expenditures are estimated to reach $6.7 billion in 1959, an increase of $1 billion over the 1958 total. Acceleration of certain military construction, in particular facilities for missile sites and detection systems, will begin in 1958 and will continue in 1959. Expenditures on military construction are estimated at $2.1 billion, or $142 million above the estimated total for 1958. For civil public works activities, estimated expenditures will be $4.3 billion as compared with $3.5 billion in 1958. The increase results largely from commitments on programs and projects started in earlier years, mostly for the Federal-aid highway systems, under trust funds.

Federal expenditures on programs for cooperatives and nonprofit groups, not included in public works expenditures, are estimated to be $534 million in 1959, including loans of $444 million.

Table 1.—*Federal expenditures for public works, fiscal years 1950–59*

[From budget accounts and trust funds. In millions]

Program	1950	1951	1952	1953	1954	1955	1956	1957	1958 estimate	1959 estimate
Civil public works:										
Budget expenditures:										
Federal construction	$1,320	$1,333	$1,329	$1,421	$1,270	$1,024	$867	$1,075	$1,329	$1,461
Grants to State and local governments	478	484	570	734	720	776	889	150	259	295
Loans to State and local governments (net)	15	145	163	12	−403	−85	26	65	136	194
Trust fund expenditures:										
Federal construction	(1)	8	1	1	4	1	2	1	6	49
Grants to State and local governments								953	1,752	2,329
Total, civil public works	1,813	1,970	2,063	2,168	1,592	1,716	1,784	2,243	3,482	4,328
Major national security public works:										
Budget expenditures:										
Military and related public works	112	424	1,814	1,933	1,721	1,621	2,076	1,986	1,963	2,104
Atomic energy plants and facilities	240	479	1,071	1,054	1,085	787	243	263	214	233
Total, major national security public works	352	903	2,885	2,987	2,806	2,408	2,319	2,249	2,177	2,338
Total, Federal public works	2,165	2,873	4,948	5,155	4,398	4,123	4,103	4,492	5,659	6,665

[1] Less than $500,000.

Note.—In this and the following text tables nonconstruction costs are excluded; proposed legislation is included for the estimated years 1958 and 1959. Totals may not add because of rounding.

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Civil Public Works

"Civil public works," as used in this analysis, are the public works required for Federal civil programs as distinguished from those required for national security. The term includes flood control, navigation and irrigation projects, veterans hospitals, public buildings, and other construction undertaken directly by the Federal Government. It also encompasses the Federal grants and loans to State and local governments for highways, hospitals, waste treatment works, and other facilities.

Table 2 summarizes Federal expenditures for civil public works, by agency, from budget accounts and trust funds for the years 1957, 1958, and 1959.

TABLE 2.—*Expenditures and 1959 new obligational authority for civil public works, by agency*

[From budget accounts and trust funds. In millions]

Type of program and agency	Expenditures			New obligational authority, 1959 estimate
	1957 actual	1958 estimate	1959 estimate	
BUDGET ACCOUNTS				
Federal construction:				
Architect of the Capitol	$15.8	$26.0	$34.8	$0.6
General Services Administration	26.5	52.6	55.3	57.7
Veterans Administration	36.0	39.2	36.0	9.1
Saint Lawrence Seaway	36.7	43.6	18.7	
Tennessee Valley Authority	80.9	130.2	159.2	134.0
Department of Agriculture	62.5	68.4	73.0	33.6
Corps of Engineers, Army	472.8	485.2	520.4	490.8
Department of Commerce:				
Civil Aeronautics Administration	24.4	58.8	128.5	175.0
Other	35.6	34.0	7.8	.8
Department of Health, Education, and Welfare	14.6	22.0	25.4	14.1
Department of the Interior:				
Bureau of Reclamation	130.5	152.3	169.0	158.1
Bonneville Power Administration	27.2	24.3	22.0	21.0
Bureau of Indian Affairs	17.2	18.4	24.7	13.0
National Park Service	34.6	51.2	44.2	10.8
Other	14.2	14.4	12.6	6.4
Post Office Department	13.9	32.0	33.1	33.1
Department of State	9.6	25.2	33.6	9.1
Other	22.3	51.4	62.8	71.9
Total, Federal construction	1,075.2	1,328.9	1,461.0	1,239.1
Grants to State and local governments:				
Soil Conservation Service	12.8	21.5	24.5	18.6
Civil Aeronautics Administration	20.6	40.1	51.5	63.0
Office of Education	67.1	92.9	82.6	15.5
Public Health Service	33.9	83.6	119.0	91.7
Other	15.9	21.1	17.6	10.0
Total, grants	150.2	259.4	295.2	198.8
Loans to State and local governments (net):				
Housing and Home Finance Agency	53.3	115.9	172.8	138.5
Bureau of Reclamation	(1)	3.8	3.8	
Other	11.5	16.2	17.3	12.1
Total, loans	64.8	135.9	193.8	150.6
Total, budget accounts	1,290.2	1,724.2	1,950.0	1,588.5
TRUST FUNDS				
Federal construction	.5	6.2	49.1	29.5
Grants, Bureau of Public Roads	952.6	1,751.9	2,328.9	3,108.2
Total, trust funds	953.1	1,758.0	2,378.0	3,137.7
Total, civil public works	2,243.2	3,482.3	4,327.9	4,726.2

[1] Less than $50,000.

CONTINUING AND NEW WORK

Table 3 classifies the civil public works activities according to whether they will be continuing or newly undertaken in 1959. It indicates the amount required after 1959 to complete direct Federal construction and grant commitments programed in the budget.

TABLE 3.—*Estimated cost of the 1959 civil public works program, by new and continuing work*

[From budget accounts and trust funds. In millions]

Agency or program	Total estimated Federal cost	Cumulative to June 30 1958	1959 estimate	Required to complete
BUDGET ACCOUNTS				
Continuing work:				
Federal construction:				
Corps of Engineers	$8,443.8	$4,083.6	$513.6	$3,846.6
Bureau of Reclamation	4,033.1	2,655.9	166.8	1,210.4
Tennessee Valley Authority	835.4	614.7	146.2	74.5
Forest Service	320.8	172.5	23.3	125.0
National Park Service	204.3	117.5	35.0	51.8
Veterans Administration	261.8	92.7	34.1	135.0
Civil Aeronautics Administration	216.2	57.9	101.8	56.5
General Services Administration	72.8	33.8	21.0	18.0
Department of State	79.3	26.6	30.8	21.9
Architect of the Capitol	184.9	60.2	34.8	89.9
Other	1,352.5	704.7	213.4	434.4
Total, Federal construction	16,004.9	8,620.1	1,320.8	6,064.0
Grant commitments:				
Hospitals and health facilities	501.4	366.6	59.8	75.0
Waste treatment works	95.0	31.8	46.1	17.1
Schools in federally affected areas	197.2	105.9	81.2	10.1
Airports	188.5	47.2	51.5	89.8
Other	423.4	120.4	39.7	263.3
Total, grants	1,405.5	671.9	278.3	455.3
Total, continuing work	17,410.4	9,292.0	1,599.1	6,519.3
New projects, features, and commitments in 1959:				
Federal construction:				
General Services Administration	87.3		21.3	66.0
Tennessee Valley Authority (proposed)	125.0		13.0	112.0
Civil Aeronautics Administration	175.0		26.7	148.3
National Park Service	44.3		7.5	36.8
Bureau of Indian Affairs	8.0		8.0	
Other	152.9	1.8	36.1	115.0
Total, Federal construction	592.5	1.8	112.6	478.1
Grant commitments:				
Airports	63.0			63.0
Hospital and health facilities	47.3		8.1	39.2
Waste treatment works	45.0		5.0	40.0
Schools in federally affected areas: Proposed	15.5		1.4	14.1
Other	32.3		2.4	29.9
Total, grants	203.1		16.9	186.2
Total, new projects, features, and commitments	795.6	1.8	129.5	664.3
Advance planning:				
Corps of Engineers	16.7	8.1	6.8	1.8
Bureau of Reclamation	38.9	26.4	2.2	10.3
General Services Administration [1]	90.0	17.2	13.1	59.7
Other [1]	32.6	11.7	5.5	15.4
Total, advance planning	178.2	63.4	27.6	87.2
Loan commitments (net):				
Housing and Home Finance Agency:				
College housing			142.4	
Other			30.4	
Bureau of Reclamation			3.8	
Other			17.2	
Total, loans			193.8	
TRUST FUNDS				
Federal construction:				
Bureau of Public Roads	51.3		29.1	22.2
Forest highways (proposed)	29.1			29.1
Other	33.9	6.7	20.0	7.2
Grants: Bureau of Public Roads	27,132.6	1,216.3	2,328.9	23,587.4
Primary and secondary systems and other (proposed)	902.0			902.0
Total, trust funds	28,148.9	1,223.0	2,378.0	24,547.9
Total, civil public works, budget accounts and trust funds			4,327.9	

[1] Includes some sites as well as planning costs.

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Budget expenditures in 1959 for continuing work are estimated at $1.6 billion, with $6.5 billion required in later years to complete. Expenditures for new projects and programs in 1959 are estimated at $130 million, with $664 million required thereafter to complete.

New projects recommended for starting in 1959 include a Court of Claims and office building in the District of Columbia, a building in New York City to house the United States Mission to the United Nations, and the Balboa Bridge over the Panama Canal. The budget recommends that no new water resources projects be started in 1959 by the Corps of Engineers or the Bureau of Reclamation because of the large commitments made for projects started by these agencies in 1956, 1957, and 1958.

Under proposed revenue-bond legislation for the Tennessee Valley Authority, $125 million of new obligational authority is recommended for construction of additional power-generating facilities. The budget also includes, under the highway trust fund, proposed legislation to provide contract authorization for 1960 and 1961 for Federal aid for primary and secondary highways and for forest and public lands highway programs of the Department of Commerce. The proposed authorizations for 1960 would be available for obligation in 1959, as shown in table 3. Other legislative proposals include additional authority for Federal assistance for schools in federally affected areas, loans to colleges for dormitories and faculty housing, and grants to State and local agencies for civil defense facilities.

INVESTIGATIONS AND STATUS OF PLANNED AND AUTHORIZED PROJECTS

Adequate basic data, comprehensive surveys and careful detailed planning are essential for economical design and construction of public works. Construction expenditures shown in this analysis include detailed project planning costs but do not include costs of basic data collection and preliminary surveys.

Basic data.—Federal programs for the collection of basic data serve a wide variety of nationally important engineering, industrial, and scientific purposes, including investigation and planning of Federal and other construction projects. A total of $62 million is recommended for collection of general coverage data, including geodetic control surveys; topographic, geologic, and soil surveys and maps; and the accumulation and processing of hydrologic and meteorologic data.

Preliminary surveys and investigations.—Careful preliminary investigations are necessary to determine the the basic need for individual projects as well as their engineering and economic feasibility. Inadequate examination of the factors involved in project formulation before authorization may result in approval of projects having questionable justification or in seriously underestimating project costs. Estimated expenditures totaling $18 million are included for 1959 for preliminary investigations of river basin and other construction programs. In addition, $3.5 million is recommended to permit the Housing and Home Finance Agency to make grants to States and metropolitan areas for assistance in general community planning.

Detailed planning.—Preparation of project plans in advance of construction provides for orderly programing of project construction and may prevent expensive changes in project designs during the construction period. Such planning also provides an opportunity to verify the economic feasibility of projects, as well as their estimated cost, before construction is started. Expenditures for advance preparation of plans in 1959 are estimated at $28 million, including some site costs, as shown in table 3.

The budget also provides an additional $8.5 million to enable the Housing and Home Finance Agency to make repayable advances to State and local agencies for the planning of their public works.

Authorized reserve.—Agency reports indicate that, on the basis of present costs, $12.4 billion of authorized work will be in reserve for starting after 1959. Such a reserve of soundly conceived authorized projects is necessary to permit a wise selection of projects for advance planning and for starting in accordance with program needs and economic and budgetary policy. About $7.7 billion of the reserve is included in the river basin programs of the Corps of Engineers and the Bureau of Reclamation, representing 576 projects.

The status of advance planning and public works projects in the reserve is shown in table 4 by major agency. A substantial amount of planning will also be done by State and local agencies on highways and other programs for which Federal grants are made.

TABLE 4.—*Reserve of presently authorized projects and programs for undertaking after 1959*

[In billions]

Agency	Cost of authorized reserve						
		Status of plans as of June 30, 1958			Status of plans as of June 30, 1959		
	Total Federal cost	Planned to stage where contract could be let	Planning in process	Planning not started	Planned to stage where contract could be let	Planning in process	Planning not started
Corps of Engineers	$4.7	$0.6	$1.4	$2.7	$0.9	$1.1	$2.7
Bureau of Reclamation	3.0	.3	2.0	.8	.5	1.8	.8
Tennessee Valley Authority	1.3	.4	.5	.4	.4	.6	.3
Forest Service	1.1	.1	.2	.7	.1	.2	.7
Civil Aeronautics Administration	1.0	.2	.4	.4	.3	.5	.2
National Park Service	.5	(1)	.5	(1)	(1)	.5	(1)
Other agencies	.7	(1)	.1	.6	(1)	.2	.5
Total	12.4	1.6	5.1	5.7	2.3	4.9	5.3

[1] Less than $50 million.

PROGRAMS BY MAJOR FUNCTION AND TYPE OF FACILITY

Civil public works expenditures are listed in table 5 according to the functional classification used in this budget, with subclassifications according to the type of facility. Most functions require some public works. For some functions, expenditures for public works represent only a small part of the total cost of the program. For other functions, such as natural resources, two-thirds of the expenditures are for various types of construction. About 88% of total civil public works expenditures in 1959, including highway trust fund expenditures, will be for the natural resources and commerce and housing programs.

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Table 5.—*Federal civil public works expenditures by major function and type of facility*

[From budget accounts and trust funds. In millions]

Major function and type of facility	1957 actual	1958 estimate	1959 estimate
Veterans services and benefits	$40.3	$42.6	$40.9
Veterans hospitals and other facilities	36.0	39.2	36.0
Cemeteries and memorials	3.8	3.3	3.4
United States Soldiers' Home (trust fund)	.5	.2	1.6
International affairs and finance	9.1	24.4	37.8
Radio and other facilities	.3	2.1	6.7
Department of State and Foreign Service buildings	8.8	22.3	31.1
Labor and welfare	127.2	219.0	261.1
Hospitals and health centers	43.8	57.3	63.5
Medical research facilities	3.3	13.3	20.0
Other research facilities and museums	2.6	5.6	10.4
Waste treatment works	.8	31.0	51.1
Schools	75.0	103.2	94.6
Federal prison facilities	1.7	2.5	3.2
Office building (trust fund)	(1)	6.0	18.4
Agriculture and agricultural resources	47.6	60.6	67.7
Grain storage facilities	30.8	32.5	30.0
Research facilities	1.5	4.1	10.3
Watershed and flood prevention works	15.3	24.0	27.4
Natural resources	840.7	957.5	1,012.1
Water resources and related developments for irrigation, navigation, flood control and power	752.4	847.2	899.9
Forest roads and other structures	32.0	35.6	37.5
Roads, buildings, and utilities on Indian lands	14.1	14.4	21.0
Fish hatcheries and wildlife refuges	3.4	5.6	4.4
Parkways, roads, and utilities in national parks	34.6	51.2	44.2
Helium plant and laboratories	4.1	1.1	1.1
Anthracite mine drainage facilities	(1)	2.4	4.0
Commerce and housing	1,124.7	2,076.6	2,781.6
Highway systems (trust fund)	952.6	1,751.9	2,357.9
Forest highways and other roads	35.3	37.0	7.1
Airports	21.4	43.9	60.0
Air navigation facilities	23.6	55.0	120.0
Aeronautical research facilities	12.4	18.5	21.5
Water transportation aids	.7	10.1	(1)
Defense housing, civil defense and community facilities (net)	3.6	23.3	33.9
Public works in Alaska and the Virgin Islands	9.8	8.9	7.0
Low-rent public housing (net)	3.1	−.7	−1.3
College housing (net)	48.4	96.6	142.4
Post office improvements	13.9	32.0	33.1
General government: Government buildings and facilities	53.7	101.6	126.7
Total, civil public works	2,243.2	3,482.3	4,327.9

[1] Less than $50,000.

NATURAL RESOURCES

The major portion of the $1 billion to be spent in 1959 for natural resources programs will be for the multiple-purpose control and development of rivers and streams for flood control, navigation, irrigation, hydroelectric power, municipal water supply and related purposes. The remainder will be for the conservation and development of land, forest, mineral, recreational, and fish and wildlife resources.

Corps of Engineers.—The rivers and harbors and flood-control programs of the Corps of Engineers are nationwide in scope, except for the Tennessee Valley area. In 1959 construction will be continued on 247 projects, including 27 multiple-purpose projects, 135 predominantly flood-control projects, of which 16 are for the lower Mississippi River and tributaries, and 85 other projects, mostly for navigation.

The Saint Lawrence Seaway Development Corporation.—The Corporation is constructing that part of the Saint Lawrence Seaway which is within U. S. territory. This work is related to navigation improvements being built by Canada and to power developments by the State of New York and the Province of Ontario. The seaway is expected to be opened to deep-draft traffic in 1959, although additional improvement of the shipping channel is contemplated.

Bureau of Reclamation.—In the 17 Western States, the Bureau will continue work on 62 projects for irrigation, water supply, flood control and hydroelectric power. Included in the total are 16 units of the Missouri River Basin project and 2 units of the Upper Colorado River storage project. During the year, irrigation water will be available on 152,895 acres of land, and 20,500 kilowatts of new generating capacity will be installed.

International Boundary and Water Commission.—The Commission and a similar agency of Mexico participate in the construction of water conservation and control facilities on the Rio Grande River. The Anzalduas Dam, started in 1956, is scheduled to be completed in 1959.

Tennessee Valley Authority.—Most of the construction of the Tennessee Valley Authority in 1959 will be for power supply and transmission and for navigation facilities. Under proposed legislation, new steam electric generating facilities to be started in 1959 will be financed from the proceeds of sales of revenue bonds.

Summary of Federal electric power activities.—Federal water resources development programs include provision for generation of electric power produced by hydroelectric facilities in multiple-purpose reservoir projects and by steam-electric facilities constructed by the Tennessee Valley Authority.

Generating capacity installed and operated by Federal agencies at the end of calendar year 1957 amounted to 20 million kilowatts, or about 16% of the total capacity of FPC Class I electric utility systems in the United States. An additional 2 million kilowatts of capacity is scheduled for completion during the calendar years 1958 and 1959 which will bring the total Federal capacity to 22 million kilowatts. Total Federal generating capacity now under construction or programed amounts to over 28 million kilowatts. In addition, construction of 1.7 million kilowatts of privately owned generating capacity was financed by Rural Electrification Administration loans through June 30, 1957.

Table 6.—*Federal electric power generating capacity, in operation and presently scheduled (nameplate)*

[Million kilowatts]

Agency	Dec. 31, 1957	Total scheduled
Corps of Engineers	5.26	10.00
Bureau of Reclamation	5.06	6.53
Tennessee Valley Authority	9.63	11.77
International Boundary and Water Commission	.03	.03
Total	19.98	28.33

Additional transmission facilities required for power system integration and for marketing federally produced power will be constructed by the Bureau of Reclamation, the Tennessee Valley Authority, and the Southwestern and Bonneville Power Administrations. The addition of 686 miles of lines in 1959 will result in a Federal transmission system total of 29,000 miles. Expenditures in

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FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

1959 for construction of these facilities will amount to $66 million.

Summary of water resources and related developments.—The major part of water resources development is classified under the natural resources function, but other water resource developments are carried out under the programs for agriculture and agricultural resources and for labor and welfare. Expenditures for all water resources and related developments are brought together in table 7.

Other natural resources programs.—In addition, under the natural resources function, there are programs for the construction of roads and trails in the national forests, national parks and Indian reservations, and on other public lands, and for continuation of work on five national parkways. There is also provision for the construction of buildings, utilities, and other facilities in the 180 park, monument, and other areas comprising the National Park System. These facilities are a part of the 10-year development program, known as "Mission 66," initiated in 1957. Provision is also made for recreational facilities in the national forests.

The Bureau of Indian Affairs will continue work on irrigation projects and on schools to accommodate the increasing number of Indian children to be enrolled in Federal schools. Work will proceed on 9 fish hatcheries, 15 wildlife refuges, and a number of other structures.

TABLE 7.—*Budget expenditures for water resources and related developments*

[In millions]

Type	Functional code No.	1957 actual	1958 estimate	1959 estimate
Flood control works:				
Bureau of Reclamation	401	$0.2	$0.2	$0.1
Corps of Engineers	401	184.7	217.4	230.8
Department of Agriculture	354	15.0	23.7	27.1
International Boundary and Water Commission	401	.7	1.6	2.5
Tennessee Valley Authority	401	.3	.6	.2
Total flood control works	------	200.9	243.5	260.7
Beach erosion control: Corps of Engineers	401	.6	.4	.4
Irrigation and water conservation works:				
Bureau of Reclamation	401	86.5	84.5	73.8
Loan program	401	.1	3.8	3.8
Department of Agriculture	354	.3	.3	.3
Bureau of Indian Affairs	401	3.1	4.0	3.7
Total, irrigation works	------	90.0	92.6	81.6
Navigation facilities:				
Corps of Engineers	401	117.5	133.9	143.4
Saint Lawrence Seaway Development Corporation	401	36.7	43.6	18.7
Tennessee Valley Authority	401	7.5	14.9	10.1
Total, navigation facilities	------	161.7	192.4	172.2
Multiple-purpose dams and reservoirs with hydroelectric power facilities:				
Bureau of Reclamation	401	36.8	59.8	84.8
Corps of Engineers	401	170.0	133.5	145.8
International Boundary and Water Commission	401	.1	1.3	----------
Total, multiple-purpose facilities	------	206.9	194.6	230.6
Steam-electric powerplants: Tennessee Valley Authority	401	49.2	90.3	115.8
Power transmission facilities:				
Tennessee Valley Authority	401	24.8	24.0	32.8
Bureau of Reclamation	401	6.9	7.8	10.3
Bonneville Power Administration	401	27.2	24.3	22.0
Southwestern Power Administration	401	.4	.9	.6
Total, power transmission facilities	------	59.3	57.0	65.7
Waste treatment facilities: Public Health Service (grants)	213	.8	31.0	51.1
Total, water resources and related developments	------	769.4	901.8	978.1

COMMERCE AND HOUSING

The public works activities under this function include various transportation facilities, housing and community development, and construction of civil defense facilities. Expenditures for transportation facilities, including trust fund expenditures, amounting to $2.6 billion, account for 60% of the expenditures for civil public works in 1959.

Public roads.—The Federal-Aid Highway Act of 1956 provided authority for grants to States for projects on the interstate highway system totaling $24.8 billion. This amount, which is spread over the 13-year period from 1957 through 1969, was estimated to cover about 90% of the cost of completing a 40,000-mile highway system. The act also included additional contract authorization for grants for Federal-aid primary, secondary, and urban highways.

For 1957 and thereafter, authorizations and expenditures for the Federal-aid highway program, which is administered by the Bureau of Public Roads, are carried in a separately financed highway trust fund and, therefore, are no longer included in budget totals. They are included, however, in the overall totals for public works in this analysis.

For 1959 and subsequent years, public lands and forest highway programs of the Department of Commerce will be financed through the highway trust fund rather than in budget accounts. It is expected that new contract authorizations will be provided for these programs in the 1958 biennial Federal-aid highway legislation.

Work will also continue on the Woodrow Wilson Memorial Bridge near the District of Columbia.

Airports and air navigation and research facilities.—Under legislation enacted in 1955, contract authority will become available in the amount of $63 million for 1959 for grants to assist State and local governments in establishing and improving public airports. During 1959, 390 airports are expected to program projects under this authority. The Civil Aeronautics Administration will continue to modernize the Federal airways system by installing additional air navigation and traffic control facilities in 1959.

The National Advisory Committee for Aeronautics is proposing to construct facilities for research on flight principles as applied to aircraft, missiles, and space vehicles. About $26 million is requested in 1959 to expand the laboratories at Moffett Field, Calif.; Cleveland, Ohio; and Langley, Va.

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Housing and community development.—The Federal Government assists in the construction of low-rent public housing units through loans and annual contributions. The 1959 budget provides for starting construction of 36,000 units as compared with 33,000 in 1958. In addition, it is estimated that 15,000 units will be completed in 1959 compared with 12,000 in 1958. Under proposed legislation additional borrowing authority is recommended to permit the Housing and Home Finance Agency to continue to provide loans to colleges and universities for the construction of dormitories. Loans in 1959 are estimated at $219 million, of which $142 million will be to public institutions. Other significant expenditures consist of loans for public facilities under the Housing Amendments of 1955.

Other facilities.—The Post Office Department will continue to make improvements in 1959, estimated to cost $33 million. The Panama Canal Company will spend $9 million for construction on various canal improvements. Work will begin on the Balboa Bridge over the Panama Canal.

VETERANS SERVICES AND BENEFITS

Work will continue on a veterans hospital at Palo Alto, Calif., and on replacement facilities at Downey, Ill. Replacement of a hospital at Jackson, Miss., is scheduled to begin in 1959. The budget includes requests for architectural planning of replacement projects at Long Beach, Calif.; Coral Gables, Fla.; and Memphis, Tenn.

Also included in this function are the construction of monuments and cemeteries by the Quartermaster General of the Army, and the construction of monuments and cemeteries in foreign countries by the American Battle Monuments Commission.

INTERNATIONAL AFFAIRS AND FINANCE

Expenditures under this function are for the construction of office buildings and living quarters for the U. S. Government abroad, and radio facilities for the Voice of America. The $49 million addition to the State Department building at Washington, D. C., will be well underway in 1959.

LABOR AND WELFARE

Health facilities.—The Department of Health, Education, and Welfare administers a program of grants to States to aid in the construction of hospitals and health research facilities. Only the grants made to public agencies are included as public works in this analysis. Those for nonpublic facilities are discussed later in this analysis and are shown in table 8. Expenditures in 1959 to public agencies will amount to $68 million, or 45% of total grants for hospitals and health research facilities. The Department's health programs also include construction and renovation in 1959 of medical facilities for the Indian population.

Education and research facilities.—For 1959, Federal assistance for school construction in areas substantially affected by Federal activities will amount to about $95 million. Legislation will be proposed to extend and modify this program, which expires June 30, 1959. The legislation will restrict Federal aid primarily to children of parents who live and work on Federal properties.

Grants for construction of waste treatment works.—The Water Pollution Control Act, as amended in 1956, authorized a program of grants to communities to stimulate and assist in the construction of waste treatment facilities. These grants are made to communities for projects which are certified by the States as meeting their pollution control programs and which the Public Health Service determines meet the criteria for Federal assistance. These grants may not exceed 30% of the cost of the project up to a maximum of $250,000 for each grant.

AGRICULTURE AND AGRICULTURAL RESOURCES

Under the Watershed Protection and Flood Prevention Act, the Department of Agriculture provides assistance to States and local groups for the installation of works of improvement in upstream watersheds to prevent damage from soil erosion, flood water, and sedimentation, and to further conservation, development, utilization, and disposal of water. The Department will also continue the program of upstream flood prevention work in the 11 watershed areas authorized by the 1936 Flood Control Act.

Other construction by the Department of Agriculture in 1959 includes grain storage facilities and facilities for research in a number of fields.

GENERAL GOVERNMENT

Public works classified under this function include the construction and major repair and improvement of administrative and other buildings required to carry on the Government's business. The 1959 program includes expenditures for the major renovation and modernization of buildings and for air conditioning of some buildings. The lease-purchase programs carried on by the General Services Administration and the Post Office Department are discussed in a later section of this analysis on "Other Federal activities in construction." Other direct Federal construction in this category includes continuation of work on new office buildings for the Senate and House of Representatives, and extension and reconstruction of the central portion of the Capitol, in the District of Columbia.

In addition, the Federal Government provides assistance, through grants and loans, for construction of various community facilities in Samoa, the Trust Territory of the Pacific Islands, and the District of Columbia. The Canal Zone Government will begin construction on a high school, clinic, and hospital facilities.

MAJOR NATIONAL SECURITY CONSTRUCTION

Expenditures for major national security construction are estimated at more than $2.3 billion in 1959, about $160 million above the 1958 level.

Military construction.—The service programs comprise construction projects required to support the current and long-range programs for the strengthening and modernization of military defense. About $550 million of 1958 and 1959 funds will be applied to facilities for making more effective the dispersal and alert readiness of the

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Strategic Air Command. Also included for these years is about $900 million for the new ballistics missile detection system and the related communication lines, and for construction of missile sites. Other expenditures in 1959 will include construction for the Army's NIKE program and for the Navy's antisubmarine warfare program.

Atomic energy facilities.—Expenditures by the Atomic Energy Commission for construction during 1959 will be primarily for projects started in prior years. This construction includes production plants and weapons facilities; power and propulsion reactors, including land prototypes for submarines and naval surface ships, experimental and prototype civilian power reactors, and a merchant ship reactor; facilities for the development of aircraft and missile nuclear propulsion; facilities to provide general support for atomic and thermonuclear power development; and four multibillion electron-volt particle accelerators. New projects proposed for 1959 include principally further improvement of production and weapons facilities, facilities to process chemically spent fuel elements from Commission, military, and nongovernmental reactors, a land prototype reactor suitable for use in a destroyer, and other facilities to support reactor development and radioactive fallout studies.

Other Federal Activities in Construction

In addition to public works, there are other types of Federal activities, involving loans, loan guaranties, grants, or direct Federal expenditures, which affect construction. Federal expenditures for these other activities contribute principally to the physical assets of cooperatives, and nonprofit private groups, or of individuals, whereas public works are limited both in the foregoing sections of this analysis and in special analysis D to additions to Federal, State, and local governmental physical assets.

ASSISTANCE TO COOPERATIVES AND NONPROFIT GROUPS

Construction by privately owned cooperatives and nonprofit groups whose functions are of a quasi-public nature is stimulated through various types of financial assistance. Expenditures for these programs are shown in table 8.

The Rural Electrification Administration makes loans primarily to rural cooperatives to finance electrical and telephone facilities. Grants are made to States by the Public Health Service for construction of both public and privately owned hospitals and medical facilities. Likewise the Housing and Home Finance Agency makes loans to public and private colleges for housing. Legislation is being recommended to assist REA borrowers and educational institutions to obtain financing from private sources. Table 8 includes only the grants and loans to nonpublic groups; those made to public groups are included in the public works totals.

Table 8.—*Federal expenditures for cooperatives and nonprofit groups (not included in civil public works)*

[In millions]

Program	1957 actual	1958 estimate	1959 estimate
Federal construction:			
Construction, Howard University	$3.6	$3.4	$2.4
Construction, Gallaudet College	.6	2.9	2.9
Grants:			
Nonpublic hospital construction	39.3	52.7	60.9
Nonpublic hospital facilities in the District of Columbia	(1)	1.6	1.8
Construction of research facilities	2.5	11.6	22.0
Loans:			
Rural electrification (gross)	258.9	330.0	367.0
College housing (net)	48.4	64.4	76.6
Total	353.3	466.6	533.6

[1] Less than $50,000.

AIDS FOR PRIVATE CONSTRUCTION

Incentives to farmers, homeowners, and businesses in the form of loans, loan guaranties, tax concessions, grants, direct aid, and other assurances serve to stimulate construction.

Under basic authority provided in 1954, 146 projects whose total construction costs exceed $785 million have been approved for lease-purchase by the Federal Government. Under this plan, Federal buildings for postal, administrative, and other purposes are to be built by private interests and paid for by the Federal Government over a period of 10 to 25 years, after which the buildings will be owned by the Federal Government.

Through the Federal Housing Administration and the Veterans Administration, programs of insurance or guaranty of mortgages on private housing are conducted, thereby providing incentives for a higher level of construction of such housing than would otherwise be the case. The Farmers' Home Administration makes direct loans for farmhouses, buildings, and water facilities, and insures private loans for these purposes. The Commodity Credit Corporation provides loans and storage-use guaranties for construction or expansion of privately owned grain storage facilities.

Summary of Federal budget expenditures for public works according to categories used in special analysis D, "Investment, operating, and other budget expenditures"

[In millions]

Public works listed under—	1957 actual	1958 estimate	1959 estimate
Additions to Federal assets:			
Loans to State and local governments (net)	$65	$136	$194
Public works—sites and direct construction:			
Civil	1,075	1,329	1,461
Major national security	2,249	2,177	2,338
Expenditures for other developmental purposes: State and local physical assets: Grants-in-aid	150	259	295
Total budget expenditures for public works	3,539	3,901	4,287

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS

BY MAJOR FUNCTION AND AGENCY

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS							
Veterans Services and Benefits							
Veterans Administration:							
Hospital and domiciliary facilities, including alterations	105	$56,168,000	$44,528,000	$9,145,000	$36,010,560	$39,157,295	$35,971,470
American Battle Monuments Commission:							
Memorials and cemeteries	106	1,050,000	1,250,000		2,810,007	2,500,000	3,000,000
Department of Defense—Civil Functions:							
Department of the Army: Cemeteries	106	759,000	440,000	235,000	989,287	750,000	354,000
Total, veterans services and benefits		57,977,000	46,218,000	9,380,000	39,809,854	42,407,295	39,325,470
International Affairs and Finance							
United States Information Agency:							
Radio facilities	153		1,100,000	4,467,300	255,426	1,453,000	3,666,000
Department of Defense—Civil Functions:							
Power systems in Ryukyu Islands	152		1,513,000	6,000,000		620,000	3,000,000
Department of State:							
State Department and Foreign Service buildings	151	55,496,632	11,966,780	8,125,000	8,826,758	22,324,000	31,130,000
Total, international affairs and finance		55,496,632	14,579,780	18,592,300	9,082,184	24,397,000	37,796,000
Labor and Welfare							
Legislative branch:							
Botanic Garden: Greenhouses	215			587,000			587,000
General Services Administration:							
Hospital facilities in the District of Columbia:							
Loans	213		1,000,000		3,688,725	4,000,000	2,000,001
Direct work	213		855,000		3,671,594	2,400,000	199,062
National Science Foundation:							
Research facilities	215	3,996,899	4,778,101	5,700,000	782,579	3,637,965	3,878,101
Smithsonian Institution:							
Museums	215	33,712,000	800,000		157,752	1,192,500	5,345,000
Department of Commerce:							
National Bureau of Standards: Laboratories	215	1,330,000	400,000	525,000	1,567,934	753,733	590,035
Department of Health, Education, and Welfare:							
Public Health Service:							
Federal research facilities	213	3,501,000	257,518		2,384,216	3,672,543	1,825,000
Indian health facilities	213	8,762,000	3,130,000	2,374,000	1,613,074	2,000,000	8,000,000
Library	213	350,000	18,166		1,495	220,000	129,000
Grants for public hospitals	213	55,700,000	54,000,000	33,200,000	32,176,732	43,110,000	49,860,000
Grants for waste treatment works	213	50,000,000	45,000,000	45,000,000	843,735	31,000,000	51,100,000
Grants for health research	213	13,500,000	13,500,000	13,500,000	921,359	9,450,000	18,000,000
Mental health facilities, Alaska	213			6,500,000			2,500,000
Total, Public Health Service		131,813,000	115,905,684	100,574,000	37,940,611	89,452,543	131,414,000
Saint Elizabeths Hospital: Hospital buildings	213	7,764,000	235,000	212,000	2,634,295	5,849,800	852,000
Office of Education:							
School construction in federally affected areas:							
At Federal installations	214	8,150,000	15,000,000		7,986,250	10,280,000	11,400,000
Proposed	214			5,000,000			600,000
Grants	214	99,850,000	82,900,000		67,068,366	92,935,000	81,180,000
Proposed	214			15,500,000			1,400,000
Total, Department of Health, Education, and Welfare		247,577,000	214,040,684	121,286,000	115,629,522	198,517,343	226,846,000
Department of Justice:							
Federal Prison System: Prison facilities	216	1,675,000	1,000,000	1,500,000	1,704,714	2,455,000	3,246,000
Total, labor and welfare		288,290,899	222,873,785	129,598,000	127,202,820	212,956,541	242,691,199
Agriculture and Agricultural Resources							
Department of Agriculture:							
Agricultural Research Service: Laboratory and research facilities	355	18,312,000	1,720,000	60,000	1,515,133	4,053,000	10,282,390
Soil Conservation Service: Flood prevention, watershed protection and other:							
Direct work	354	1,342,000	1,535,000	1,485,000	2,452,591	1,485,000	1,445,000
Grants	354	22,040,000	29,144,000	18,644,000	12,807,942	21,524,000	24,500,000
Loans	354		1,500,000	1,500,000		1,000,000	1,500,000
Commodity Credit Corporation: Storage facilities	351				30,792,282	32,500,000	30,000,000
Total, agriculture and agricultural resources		41,694,000	33,899,000	21,689,000	47,567,948	60,562,000	67,727,390

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS—Continued

BY MAJOR FUNCTION AND AGENCY—Continued

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS—Continued							
Natural Resources							
Saint Lawrence Seaway Development Corporation	401		$35,000,000		$36,685,554	$43,600,000	$18,739,800
Tennessee Valley Authority:							
Power and chemical facilities	401		5,318,000	$8,976,000	80,893,222	130,181,799	146,166,000
Power facilities (proposed)	401			125,000,000			13,000,000
Department of Agriculture:							
Forest Service: Forest roads and protective facilities	402	$27,188,646	32,694,500	32,007,500	27,705,372	30,337,800	31,288,500
Department of Defense—Civil Functions:							
Department of the Army: Corps of Engineers:							
Flood control, navigation, and multiple-purpose projects with power	401	505,223,500	493,527,504	490,770,000	472,781,068	485,211,893	520,400,000
Department of the Interior:							
Power transmission facilities:							
Southwestern Power Administration	401		1,480,000		378,054	900,000	580,000
Bonneville Power Administration	401	18,700,000	22,038,000	21,000,000	27,248,816	24,300,000	22,000,000
Bureau of Land Management: Access roads	401	4,600,000	5,480,000	4,435,000	4,309,535	5,270,000	6,164,372
Bureau of Indian Affairs: Irrigation works, roads, buildings, and utilities	401	17,240,000	29,000,000	13,000,000	17,247,947	18,380,000	24,674,000
Bureau of Reclamation: Irrigation and multiple-purpose projects with power	401	140,940,561	147,671,115	158,101,778	130,464,796	152,270,000	168,996,000
Loans	401	12,332,439			30,000	3,833,000	3,800,000
Grants	401		30,000	100,000		6,000	50,000
Total, Bureau of Reclamation		153,273,000	147,701,115	158,201,778	130,494,796	156,109,000	172,846,000
Bureau of Mines:							
Laboratories and helium plant expansion	403		23,000		4,130,951	880,000	33,000
Anthracite mine drainage facilities (grant)	403				7,801	2,425,000	4,000,000
Fish and Wildlife Service: Fish hatcheries and wildlife refuges	404	3,531,000	6,377,000	1,958,000	3,352,300	5,600,000	4,450,000
National Park Service: Parkways, roads, buildings and utilities	405	46,250,000	48,306,800	10,806,800	34,609,096	51,185,000	44,200,450
Geological Survey: Buildings	409	85,000	1,355,000			234,000	1,120,000
Total, Department of the Interior		243,679,000	261,760,915	209,401,578	221,779,295	265,283,000	280,067,822
Department of State:							
International Boundary and Water Commission: Water resource projects	401		300,000	1,000,000	810,723	2,900,246	2,458,000
Restoration of salmon runs, Fraser River system	404					22,500	
Total, Department of State			300,000	1,000,000	810,723	2,922,746	2,458,000
Total, natural resources		776,091,146	828,600,919	867,155,078	840,655,235	957,537,238	1,012,120,122
Commerce and Housing							
Federal Communications Commission:							
Radio monitoring facilities	519			128,000			90,000
Federal Civil Defense Administration:							
Administration building	520		350,000			350,000	
Grants for emergency centers	520	943,503	3,993,678		750,000	1,350,000	2,000,000
National Advisory Committee for Aeronautics:							
Research facilities	513	14,000,000	41,780,000	26,220,000	12,363,309	18,500,000	21,500,000
Housing and Home Finance Agency:							
Office of the Administrator:							
Public facility loans	515				633,316	15,000,000	23,950,000
Advance planning of non-Federal public works: Loans	515	7,500,000	5,000,000	8,500,000	1,192,112	5,200,000	8,050,000
College housing loans	517	157,500,000	113,750,000		48,376,300	96,600,000	142,350,000
Proposed	517			130,000,000			
War and emergency housing:							
Grants	516				653,943	1,546,027	
Loans	516				7,800	−186,000	−209,000
Public Housing Administration: Low-rent housing loans	516				3,070,846	−747,000	−1,341,000
Total, Housing and Home Finance Agency		165,000,000	118,750,000	138,500,000	53,934,317	117,413,027	172,800,000

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS—Continued

BY MAJOR FUNCTION AND AGENCY—Continued

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS—Continued							
Commerce and Housing—Continued							
Department of Commerce:							
Maritime activities: Shore facilities	511				$304,800	$25,400	
Bureau of Public Roads:							
Forest highways	512	$29,341,248	$29,085,000	(1)	20,843,298	25,864,403	(1)
Access roads, bridges, and other direct Federal work	512	19,290,058			12,200,124	7,018,713	$6,863,987
Public lands highways and other grants	512	2,178,701	1,950,000	(1)	2,258,512	4,119,695	[1] 200,000
Total, Bureau of Public Roads		50,810,007	31,035,000		35,301,934	37,002,811	7,063,987
Civil Aeronautics Administration:							
Establishment of air-navigation facilities	513	75,000,000	124,603,525	$175,000,000	23,587,786	55,000,000	120,000,000
Washington, D. C., and Alaska airports	513	3,136	12,750,000		781,413	3,767,889	8,509,000
Federal-aid airport program: Grants	513	63,000,000	63,000,000	63,000,000	20,629,109	40,144,267	51,500,000
Total, Civil Aeronautics Administration		138,003,136	200,353,525	238,000,000	44,998,308	98,912,156	180,009,000
Coast and Geodetic Survey: Geomagnetic observatory	518				50,302	1,698	
Total, Department of Commerce		188,813,143	231,388,525	238,000,000	80,655,344	135,942,065	187,072,987
Department of Defense—Civil Functions:							
Panama Canal Company:							
Canal and harbor improvements	511				2,940,179	5,558,927	8,881,800
Panama Canal bridge	512		750,000	19,250,000		325,000	3,100,000
Department of Health, Education and Welfare:							
Defense community facilities (grant)	515				271,875	78,000	
Department of the Interior:							
Office of Territories:							
Alaska public works:							
Loans	515	2,484,000	3,000,000	2,000,000	3,876,318	3,731,500	3,350,000
Grants	515	2,484,000	3,000,000	2,000,000	3,876,318	3,731,500	3,350,000
Virgin Island public works: Grants	515				53,738	25,000	67,881
Alaska Railroad	518				2,000,000	1,520,000	225,000
Total, Department of the Interior		4,968,000	6,000,000	4,000,000	9,806,374	9,008,000	6,992,881
Post Office Department:							
Improvements and alterations	514	13,913,000	32,017,000	33,146,000	13,913,000	32,017,000	33,146,000
Treasury Department:							
Coast Guard: Lifeboat stations and other aids	511	1,431,000	2,930,000	3,613,000	1,571,000	2,950,000	4,820,000
Adjustment for transfer from Department of Defense					−4,104,150	1,233,000	−16,793,000
Total, commerce and housing		389,068,646	437,959,203	462,857,000	172,101,248	324,725,019	423,610,668
General Government							
Legislative branch:							
Architect of the Capitol: Buildings	601	730,000	3,096,000		15,803,668	25,957,782	34,244,401
Central Intelligence Agency:							
Headquarters installation	605	49,000,000			1,628,376	7,720,538	13,855,430
General Services Administration:							
Court facilities	602	580,000			701,812	281,408	
Renovation, improvements, sites, planning, and construction of public buildings	605	29,548,662	71,556,800	52,476,200	22,142,516	49,922,476	52,592,295
U. S. Mission Building, New York City	605			3,975,000			1,500,000
Office building and Court of Claims, D. C	605			1,200,000			1,000,000
Total, General Services Administration		30,128,662	71,556,800	57,651,200	22,844,328	50,203,884	55,092,295
Department of Commerce:							
Weather Bureau: Housing and other facilities	607	632,000	285,000	275,000	647,170	285,000	315,000
Department of Defense—Civil Functions:							
Canal Zone Government: Civic improvements	609		1,000,000	4,800,000	1,061,824	2,012,000	4,848,000
Department of the Interior:							
Office of Territories: Public buildings in Samoa and the Pacific islands (grants)	609	850,476	945,800	945,800	850,476	945,800	945,800

[1] Forest and public lands highways will be financed from trust funds in 1959. See p. 928.

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS—Continued

BY MAJOR FUNCTION AND AGENCY—Continued

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS—Continued							
General Government—Continued							
District of Columbia:							
Federal payments (grant)	609	$7,000,000	$7,000,000	$7,000,000	$7,000,000	$7,000,000	$7,000,000
Loans for highway, sewer and water systems	609	10,700,000	9,631,100	8,600,000	3,900,000	7,503,000	10,380,000
Total, District of Columbia		17,700,000	16,631,100	15,600,000	10,900,000	14,503,000	17,380,000
Total, general government		99,041,138	93,514,700	79,272,000	53,735,842	101,628,004	126,680,926
Total, all functions, civil public works, budget accounts		1,707,659,461	1,677,645,387	1,588,543,378	1,290,155,131	1,724,213,097	1,949,951,775
TRUST FUNDS							
Veterans' Services and Benefits							
Department of the Army:							
United States Soldiers' Home	100	2,200,000	34,000	434,630	478,573	150,000	1,593,000
Labor and Welfare							
Department of Health, Education, and Welfare:							
Bureau of Old-Age and Survivors Insurance: Building	200		5,710,000		34,000	6,000,000	18,400,000
Commerce and Housing							
Department of Commerce:							
Bureau of Public Roads: Federal-aid highways (grant)	500	2,566,362,303	2,882,400,000	2,206,261,000	952,556,601	1,751,893,266	2,326,261,000
Proposed:							
Primary and secondary systems (grant)	500			900,000,000			
Public lands highways (grant)	500			1,960,000			2,652,000
Forest highways (direct)	500			29,080,000			29,080,000
Total, all functions, trust accounts		2,568,562,303	2,888,144,000	3,137,735,630	953,069,174	1,758,043,266	2,377,986,000
Total, all functions, budget and trust accounts		4,276,221,764	4,565,789,387	4,726,279,008	2,243,224,305	3,482,256,363	4,327,937,775

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SPECIAL ANALYSIS F—Continued

MAJOR NATIONAL SECURITY CONSTRUCTION

Organization unit and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1957 enacted	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
Military public works:							
Department of Defense—Military Functions:							
Interservice activities:							
Access roads	051				$4,609,121	$2,960,000	$1,500,000
Family housing	051				21,477,424	2,479,000	509,000
Loran stations	051	$5,450,000	$5,500,000		5,450,000	5,500,000	
Total, interservice activities		5,450,000	5,500,000		31,536,545	10,939,000	2,009,000
Department of the Army:							
Field forces and other operational facilities	053		98,000,000		225,075,431	193,000,000	130,000,000
Technical services	053		27,000,000		67,135,476	35,000,000	20,000,000
Military construction, Army Reserve Forces	053	55,000,000	55,000,000		40,662,649	45,000,000	35,000,000
Construction, Alaska Communications Systems	053				93,189	500,000	100,000
Classified	053		185,000,000		120,327,417	132,000,000	140,000,000
Total, Department of the Army		[1] 55,000,000	365,000,000		453,294,162	405,500,000	325,100,000
Department of the Navy:							
Aviation facilities	054	56,000,000	85,000,000		141,530,255	140,000,000	132,000,000
Navy facilities other than aviation	054	44,500,000	106,000,000		123,297,375	156,250,000	90,862,000
Marine Corps facilities other than aviation	054	29,900,000	17,000,000		21,233,476	25,000,000	20,000,000
Military construction, Naval Reserve Forces	054	9,704,000			15,304,255	17,000,000	14,000,000
Classified	054	34,600,000	57,000,000		67,506,923	57,750,000	65,138,000
Total, Department of the Navy		[1] 174,704,000	265,000,000		368,872,284	396,000,000	322,000,000
Department of the Air Force:							
Operational support facilities	052	718,365,000	495,000,000		673,906,691	708,800,000	610,000,000
Training facilities	052	179,800,000	135,000,000		90,000,000	51,800,000	35,000,000
Logistical, other support and miscellaneous facilities	052	119,700,000	90,000,000		125,000,000	104,500,000	45,000,000
Air National Guard construction	052	29,500,000	11,800,000	$2,400,000	22,261,000	27,000,000	14,000,000
Classified	052	179,800,000	180,000,000		193,800,000	204,900,000	105,000,000
Total, Department of the Air Force		1,227,165,000	911,800,000	2,400,000	1,104,967,691	1,097,000,000	809,000,000
Proposed legislation	050		520,000,000	1,574,100,000		53,000,000	646,000,000
Total, Department of Defense—Military Functions		1,462,319,000	2,067,300,000	1,576,500,000	1,958,670,682	1,962,439,000	2,104,109,000
Other national security construction:							
Atomic Energy Commission: Production plants, research, and other facilities	056	146,800,000	108,162,500		262,528,245	213,770,000	213,400,000
Proposed legislation	056			120,000,000			20,000,000
Funds appropriated to the President: Defense production expansion: Expansion of nickel plant at Nicaro, Cuba	057				27,538,181	300,000	
Total, other national security construction		146,800,000	108,162,500	120,000,000	290,066,426	214,070,000	233,400,000
Total, major national security construction		1,609,119,000	2,175,462,500	1,696,500,000	2,248,737,108	2,176,509,000	2,337,509,000

[1] Excludes transfers of $202 million to the Army and $235 million to the Navy from other service appropriations.

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Special Analysis G

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS

This analysis covers Federal financial assistance to State and local governments. Three types of Federal assistance are included—direct grants-in-aid, shared revenues, and loans and repayable advances.

For 1959, total Federal aid expenditures, exclusive of Federal administrative costs, are estimated at $6,259 million. This includes net expenditures of $3,930 million from budget accounts and $2,329 million from the trust account established by the Highway Revenue Act of 1956. Since 1957, the Federal share of the new and greatly enlarged interstate highway program has been financed from this trust fund, in which the proceeds of certain excise taxes are deposited, instead of from budget appropriations as was the practice through 1956.

The total of Federal aid expenditures for 1959 includes $86 million under proposed new legislation, $84 million for legislation to extend expiring laws, and $6,089 million under existing laws. The 1959 total from the budget and trust accounts is expected to be $2,147 million higher than in 1957, and $815 million greater than the revised total for 1958. The largest single increase from 1958 to 1959 is $577 million in the new highway grants. Stimulative grants under the proposed new program for improvement of science and general education will total $70 million in 1959. The net increase in all other items from 1958 to 1959 is $168 million, reflecting scattered decreases. These increases include unemployment compensation and employment service administration; hospital, waste treatment and health facilities construction; commodity contributions for school lunch and milk programs; airport program, and public housing.

Table 1.—*Federal aid expenditures in relation to total Federal budget expenditures and total State-local revenues from their own sources*

Fiscal year	Net budget expenditures for aid to State and local governments (millions)	Federal-aid expenditures as percent of—	
		Total Federal expenditures (net)	State-local revenues [1]
1950	$2,269	6	10
1951	2,434	5	9
1952	2,604	4	9
1953	2,857	4	9
1954	2,657	4	8
1955	3,124	5	9
1956	3,753	6	9
1957 [3]	3,159	5	8
1958 (estimated) [4]	3,692	5	[2]
1959 (estimated) [5]	3,930	5	[2]

[1] Based on compilations published by the Governments Division, Bureau of the Census.
[2] Not available.
[3] When grants-in-aid from the highway trust fund are added, net expenditures total $4,111 million, 6 percent of total Federal cash payments to the public, and Federal aid as a percentage of State-local revenues will be higher.
[4] When grants-in-aid from the highway trust fund are added, net expenditures total $5,444 million, 7 percent of total Federal cash payments to the public, and Federal aid as a percentage of State-local revenues will be higher.
[5] When grants-in-aid from the highway trust fund are added, net expenditures total $6,259 million, 7 percent of total Federal cash payments to the public, and Federal aid as a percentage of State-local revenues will be higher.

When the three kinds of aid are considered, by far the largest part of Federal aid in 1959, $5,972 million, or 95.4% of the total, will be in the form of grants-in-aid from budget appropriations and trust accounts. Shared revenues account for $101 million, or 1.6%; and net loans and repayable advances for the remaining $185 million, or 3.0%.

Grants-in-aid, loans, and repayable advances from budget and trust accounts for civil public works which add to State-local assets, represent an increasing part of total Federal aid outlays—45% of the total in 1959 as compared to 39% in 1958 and 28% in 1957. (See summary at end of detailed table and table 4.)

Development of Federal aid.—Federal aid to State and local governments, in recent decades, has become a major factor in the cooperative financing of essential government functions. The rudiments of the present system date back to the Civil War with the enactment of the Morrill Act which established the land-grant colleges and which instituted certain federally required minimum standards, characteristic of the present grant-in-aid system. Federal aid was later initiated for agriculture, highways, vocational education and rehabilitation, forestry, and public health. In the depression years, Federal aid was extended to meet economic security and other social welfare needs. The detailed table at the end of this analysis lists the various programs of Federal financial assistance to State and local governments presently available or proposed for enactment.

Pursuant to a recommendation of the Commission on Intergovernmental Relations, the President in 1956 designated the Office of the Deputy Assistant to the President for Intergovernmental Relations to give continuing attention to interlevel problems of government. As one of its assigned duties, this Office has functional responsibility for problems associated with the Federal aid system as a whole. A special assistant to the President is charged with advising on the implementation of the recommendations of the Commission on Intergovernmental Relations.

The Joint Federal-State Action Committee.—The Joint Federal-State Action Committee of governors and Federal representatives, created in July 1957 by the President and the Governors' Conference, has been engaged in a review of functions—including grants-in-aid—now performed by the Federal Government which could be assumed by the States and localities. At the same time, the Joint Committee has been reviewing those Federal revenue sources which could be relinquished to the States for the financing of programs or activities transferred to States or local governments.

This Committee, in its initial progress report, recommended the transfer of complete responsibility for vocational education and waste treatment construction grants from the Federal Government to the States. At the same time, to assist the States in financing these responsibilities, the Committee recommended that the Federal tax on local telephone service be changed so as to provide up to a 40% tax credit to those States enacting or increasing local telephone taxes. Under this proposal, the tax credit arrangement would end in 5 years and the Federal tax would be reduced 40%. The report also called for strengthening of State and local activities in urban renewal, peaceful uses of atomic energy, and for larger State and local financial participation in natural disaster relief.

The continuing work of the Joint Action Committee is expected to result in additional recommendations for transfers of functions and revenue sources. It will also establish clearer definitions of responsibilities in the case of emerging problems to encourage early action by State

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SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

and local governments in order to avoid unnecessary Federal participation in these areas.

Grants-in-aid.—As indicated above, the great bulk of Federal aid to State and local governments takes the form of grants-in-aid wherein Federal financial participation supports State or locally administered programs. For 1959, grants to States and local governments total $5,972 million (including $2,329 million from the highway trust fund), an increase of $771 million from the estimate for 1958. The "labor and welfare" category is responsible for approximately 48% of the grant-in-aid expenditures in 1959; "commerce and housing," 43%; "agriculture and agricultural resources," 7%.

The two largest grant programs are for highways and public assistance for which the budget provides $4,135 million in 1959, or over two-thirds of the total.

The various grant-in-aid programs provide for Federal fiscal participation in a specific function or service rendered by a State or local government. Most grant-in-aid statutes require that State and local programs meet certain standards and provide for the allocation of money among the States in accordance with various formulas. These allocation formulas vary considerably among programs. Some are statutory while others are established by the administering Federal agency on the basis of criteria listed in the laws. Some contain specific measures such as population, area, per capita income, incidence of specific diseases, road mileage, etc.; others allot equal amounts to all States. Still others allot on a fixed percentage of State expenditures up to a specified limitation contained in the Federal law. Generally the amounts expended for most programs of Federal aid are subject to the establishment of maximum amounts in the authorizing statutes and the necessity for annual appropriations by Congress. However, in the public assistance program the amount paid to each State is determined by a statutory formula applied to actual caseloads and individual benefit rates established by each State up to the statutory maximum subject to matching. Consequently, the amount appropriated in advance does not necessarily limit the total of Federal payments for a given year. Congress customarily provides a supplemental appropriation if this is necessary to cover the claims submitted by the States.

The vocational rehabilitation formula enacted in 1954 provides for variation by States in both the allotment of funds and the requisite matching share, in inverse proportion to per capita income. In recent years similar formulas have been recommended for grants-in-aid in the field of health.

Legislation governing a few grant-in-aid programs permits aid to private nonprofit agencies or institutions. The program of grants to aid in the construction of hospitals and other health facilities, administered by the Department of Health, Education, and Welfare, is an illustration. It is estimated that 56% of the Federal expenditures of $113 million for these grants in 1959 will be used for nonprofit hospitals and other private health facilities. The program, nevertheless, is one in which the States have a central role through the preparation of statewide programs, the approval of individual projects, and the channeling of the Federal payments. Therefore, the entire amount authorized and spent for the program is included as Federal aid in this table. The part going to private institutions is indicated separately.

On the other hand, certain Federal programs may incidentally involve grants to particular State or local governmental agencies, even though they are not primarily programs of grants-in-aid or loans to State or local governments. For example, the Public Health Service and the National Science Foundation make research grants to colleges and universities, including some State and local institutions. These payments are not included in the tabulation.

Payments of unemployment allowances to veterans of the Korean conflict and to former Federal civilian employees are considered direct Federal programs. The States, as a service to the Federal Government, make the benefit payments through their unemployment compensation offices as agents of the Federal Government and are fully reimbursed. Their expenses of administration are paid by the Government as part of its general grants-in-aid for unemployment compensation and employment service administration. These administrative costs in the States are not separately identifiable and are included in the Federal-aid total even though the benefit payments are excluded.

In a few instances, grants-in-kind are made, usually involving commodities, services, or structures. Wherever these can be identified in the budget they have been included in this analysis. Principal among them are grants of agricultural commodities to schools, welfare departments, and other public agencies, shown in the tabulation under agriculture and agricultural resources. This is supplementary to the grants specifically for the national school lunch program, shown under labor and welfare. However, donations of previously acquired property, such as grants of surplus public housing properties to local agencies, have been omitted from the tabulation.

Shared revenues.—In the budget estimates for 1959, payments of shared revenues are estimated at $101 million, or approximately the same as the revised estimate for the current year. As shown in the tabulation, the Mineral Leasing Act, national forest fund and tax collections for American Samoa, Puerto Rico, and Guam constitute approximately 76% of all shared-revenue expenditures.

Classified as shared revenues are (*a*) payments to States and localities of a portion of the proceeds from the sale of certain Federal property, products, and services; and (*b*) payments to the Territories of certain Federal tax collections derived within their boundaries or from transactions affecting them. Shared revenues from property and products are derived mainly from public lands in the West, and the Federal law usually requires that the State or local share be used for schools or for schools and roads in the county where the Federal lands are located. The payment of tax collections to the Territories (e. g., internal-revenue collections for Puerto Rico, the Virgin Islands, and Samoa) are included in this analysis to the extent that they are included in budget receipts and expenditures. Some revenues collected under Federal laws for the benefit of the governments of Guam, Puerto Rico, and Virgin Islands are paid directly to those Territories, without affecting Federal budget accounts.

Loans and repayable advances.—Budget expenditures for loans are net amounts, representing for any year the gross amount of loans and advances minus credits for certain collections during the year. For 1959, net disbursements

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SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

for loans and advances to State and local governments are estimated at $185 million. In a few cases, collections are not deducted from gross disbursements but, instead, are credited directly to miscellaneous receipts of the Treasury.

Loans are made to State or local governmental bodies by several Federal agencies for specified types of public improvements, such as low-rent public housing, slum clearance, and urban renewal by the Housing and Home Finance Agency. Also included in the category of loans are certain advances made by the same agency for the planning of non-Federal public works and urban renewal; these advances are repayable if the planned projects are carried out. Advances are also made by the Federal Civil Defense Administration in the operation of its supply procurement fund, which represents a central purchasing operation for State and local civil defense stocks.

Part of the Alaska public works expenditures represents Federal advances of funds to be repaid by the government of the Territory.

Highway trust fund.—The Highway Revenue Act of 1956 established a trust fund into which proceeds from certain excises on motor fuels, tires, and vehicles are deposited and from which the Federal share of the new highway program is financed. The companion Federal-Aid Highway Act of 1956 authorized Federal grants of $25 billion over a 13-year period to cover 90% of the cost of completing the Interstate Highway System. In addition, it provided for increased grants for primary, secondary, and urban highways.

The actual and estimated receipts and disbursements of this trust fund are shown in table 2. During 1959 it is expected that grants-in-aid from this fund will exceed slightly the tax collections of $2.2 billion dedicated to this program. It is anticipated that expenditures from the trust fund will rise gradually in later years to nearly $3 billion annually.

TABLE 2.—*Highway trust fund*

[In millions]

Item	1957 actual	1958 estimate	1959 estimate
Balance in fund at start of year		$516	$785
Receipts:			
Excise taxes transferred from general receipts	$1,479	2,120	2,210
Proposed legislation to retain aviation gasoline excises in general revenues			−46
Interest	3	18	16
Payments:			
Grants-in-aid to States	−953	−1,752	[1] −2,329
Forest highways			−30
Administration of grants	−13	−23	−24
Refunds of taxes		−95	−110
Net accumulation (+) or expenditure (−)	+516	+268	−313
Balance in fund at close of year	516	785	472

[1] Includes approximately $3 million for public lands highways.

Proposed legislation.—Federal aid to State and local governments would be affected by several of the recommendations for legislation which are included in the budget.

As part of a coordinated science training program, the President is recommending enactment of new legislation authorizing the Department of Health, Education, and Welfare to provide grants to States. Under this new 4-year program, matching grants will be provided to States to strengthen State departments of education and local school systems, particularly in the teaching of science and mathematics. Improvement of general education will also be promoted through grants for testing and counseling services for young people and related means. The Federal share of expenditures under this new program is expected to total $70 million in 1959.

Legislation is again recommended for a new program of Federal assistance to States in meeting certain personnel and administrative costs of State and metropolitan area civil defense organizations as well as provide for other needed improvements in the overall civil defense effort. It is estimated that expenditures of $16 million will be required for this new program in 1959.

Existing authority to provide grants to help build and operate schools in districts where enrollment is swelled by Federal activities is due to expire. Experience suggests that these programs should be modified. Expenditures of $84 million are estimated for continuation of these grants in 1959 in addition to payments of $108 million under existing law.

The President is also recommending legislation to reduce Federal participation in the financing of the public assistance and urban renewal programs, and also to extend the program of grants for hospital construction on a modified basis to meet the most urgent needs. Legislation is likewise being recommended to carry out several of the recommendations of the Joint Federal-State Action Committee discussed above. The recommendations discussed in this paragraph, however, will not be reflected in the budget until 1960.

Relationship to other budget figures.—The totals for Federal aid in this analysis represent budget expenditures, as defined in the introduction to part I except for the one item of grants from the Federal-aid highway trust fund. Financial transactions relating to trust fund programs are shown in part III of the budget document.

In most cases, the expenditures in a given fiscal year correspond closely to the amount of the appropriation, but in some instances the expenditures for grants or loans are made from an appropriation which also finances direct Federal operations or Federal administrative expenses. When this occurs, the amounts tabulated in this analysis ordinarily represent an estimate of that part of the expenditure which is paid as aid to State and local governments. Also, there are certain programs—chiefly construction—where there are substantial differences between appropriations (or other authority to incur obligations) for any year and expenditures in that year. This arises because construction projects usually cannot be completed and paid for within a fiscal year.

The detailed tabulation of Federal expenditures for aid to State and local governments is arranged according to the functional classification used in the budget message. In order that this analysis may be related readily to the analysis of investment, operating, and other budget expenditures presented in special analysis D, that tabulation shows separately in each category the amounts of Federal aid to State and local governments. In table 3, the

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SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Federal-aid programs are recapitulated to follow the outline of special analysis D.

Similarly, table 4 relates this special analysis of Federal aid to special analysis F which tabulates budget and trust expenditures for public works.

District of Columbia.—Many Federal-aid programs provide financial assistance for specific public services in the District of Columbia on the same basis as in the States. In addition, this analysis includes programs of particular aid for the District of Columbia in the form of a general contribution to help defray the costs of the local government, assistance in building the District's hospital center (which is additional to aid made available under the general State-aid hospital and health facility construction program), and loans for capital outlays under the District government's public-works program.

TABLE 3.—*Expenditures for Federal aid to State and local governments, classified as "Investment, operating, and other expenditures"*

[From budget accounts only. In millions]

Category	1957 actual	1958 estimate	1959 estimate
Additions to Federal assets: Loans to State and local governments	$72	$142	$185
Expenditures for other developmental purposes:			
State and local physical assets [1]	158	267	305
Private physical assets	40	56	63
Education, training, and health	319	344	410
Research and development	34	35	35
Engineering and natural resources surveys	1	3	3
Total, other developmental purposes	552	705	816
Current expenses for aids and special services:			
Agriculture	299	288	337
Labor	320	336	344
Homeowners and tenants	116	145	163
Veterans	8	9	9
Other aids and special services	1,664	1,933	1,936
Total, current expenses for aids and special services	2,407	2,711	2,789
Other services and current operating expenses: Shared revenues and grants-in-aid	127	134	140
Total, net budget expenditures for Federal aid to State and local governments [1]	3,159	3,692	3,930

[1] Does not include Federal-aid highway trust fund expenditures of $953 million in 1957, and estimated $1,752 million in 1958 and $2,329 million in 1959.

NOTE.—Slight differences in the totals in special analyses D and F result from rounding.

Other financial relationships.—Apart from grants-in-aid, loans, and shared revenues, many other Federal expenditures and policies affect the finances of State and local governments. Types of transactions not covered in the tabulation of aids include the following:

(*a*) Reimbursements for various specific services, such as payments to public educational institutions for tuition of veterans and of students from the Armed Forces and payments to local governments for care of Federal prisoners in local institutions.

(*b*) Contractual payments to public institutions for research and training in specified fields.

(*c*) The value of surplus educational and hospital supplies, materials, and equipment, and of housing and other real estate donated or sold at substantial discounts to State and local agencies. The surplus public housing mentioned earlier is in this category of omitted grants-in-kind.

(*d*) The payments of property taxes, or payments in lieu of property taxes, made upon Federal property under the provisions of various laws. When such payments are based upon a percentage of revenues, however, as in the case of the Tennessee Valley Authority, they are included in the shared-revenue section of the table.

(*e*) The transfer to the unemployment trust fund of the excess of receipts from the Federal unemployment tax over operating costs of the Federal-State unemployment compensation and placement program to the extent that this annual transfer was devoted initially to setting up a reserve of $200 million from which loans can be made to States which will deplete their own reserves for benefit payments. Such loans will be trust fund transactions and therefore would not be reflected in the tabulation of budget expenditures for Federal aid. The $200 million reserve was completed July 1956. Thereafter, excess receipts are being transferred from general funds to the trust fund in which they are credited to the accounts of the several States. For example, the $25 million transfer estimated for 1959 is classified as a Federal grant-in-aid.

In addition, the table does not reflect various indirect financial benefits accruing to State and local governments, such as exemption from Federal income tax of interest paid on State and local debt; the indirect Federal guaranty of municipal obligations issued for low-rent housing and urban renewal; deductions of State and local income, property, and other taxes from personal and corporate incomes in computing Federal income tax; services rendered to other governmental units by Federal agencies in the ordinary course of their operations; and some programs administered cooperatively for the purposes of both the State and Federal Governments, such as agricultural crop reporting or the National Guard.

Some of these financial benefits, of course, have counterparts in the form of services rendered or occasional payments made to the Federal Government by the States or their subdivisions.

TABLE 4.—*Federal-aid expenditures for civil public works*

[From budget and trust accounts. In millions]

Type of aid and function	1957 actual	1958 estimate	1959 estimate
Grants-in-aid:			
Labor and welfare [1]	101	176	202
Agriculture and agricultural resources	13	22	25
Natural resources	(2)	2	4
Commerce and housing:			
Budget accounts	28	51	57
Federal-aid highway trust fund	953	1,752	2,329
General government	8	8	8
Total, grants-in-aid for public works	1,103	2,011	2,625
Loans and repayable advances (net):			
Labor and welfare	4	4	2
Agriculture and agricultural resources		1	2
Natural resources		4	4
Commerce and housing	57	120	176
General government	4	8	10
Total, loans and repayable advances	65	137	194
Total, net budget and trust account expenditures for Federal-aid to State and local governments for public works	1,168	2,148	2,819

[1] Does not include grants for construction of private nonprofit hospitals.
[2] Less than one-half million dollars.

NOTE.—Slight differences in the totals in special analyses D and F result from rounding.

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Special Analysis G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS

Based on existing and proposed legislation

Function, agency, and program	Functional code	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS				
Grants-in-aid				
Veterans services and benefits:				
Veterans Administration:				
Aid to State homes [1]	105	$5,680,529	$6,446,000	$6,440,000
State supervision of schools and training establishments [1]	106	2,537,067	2,500,000	2,432,000
Total veterans services and benefits		8,217,596	8,946,000	8,872,000
Labor and welfare:				
Department of Labor: Unemployment compensation and employment service administration	211	248,315,752	286,956,207	318,520,000
Treasury Department: Credit to State accounts in unemployment trust fund [1]	211	71,195,220	48,717,000	25,150,000
Department of Health, Education, and Welfare:				
Public assistance	212	1,556,422,423	1,820,080,000	1,806,400,000
Hospital construction [1]	213	71,503,850	95,800,000	110,800,000
Portion to private nonprofit institutions	213	(39,327,118)	(52,690,000)	(60,940,000)
Research on utilization of hospital facilities	213	1,094,234	1,100,000	1,100,000
Surveys and programs for hospital construction	213	394,690	449,987	
Assistance to States, general public health [1]	213	12,509,170	17,000,000	17,000,000
Control of venereal disease [1]	213	1,223,846	1,500,000	1,500,000
Control of tuberculosis [1]	213	4,485,949	4,500,000	3,000,000
Mental health activities [1]	213	3,949,845	4,000,000	4,000,000
National Heart Institute [1]	213	1,987,983	2,125,000	2,125,000
National Cancer Institute [1]	213	2,235,318	2,250,000	2,250,000
Maternal and child welfare	213	38,251,998	41,500,622	41,500,000
Disease and sanitation control, Alaska [1]	213	638,000	1,638,000	1,638,000
Water pollution control [1]	213	1,683,331	2,700,000	2,700,000
Construction grants for waste treatment facilities	213	843,735	31,000,000	51,100,000
Grants for construction of health research facilities [1]	213	921,359	9,450,000	18,000,000
Poliomyelitis vaccination program	213	30,056,174	506,946	
General Services Administration:				
Hospital facilities in D. C. (private nonprofit) [2]	213	17,131	1,600,000	1,800,937
Department of Health, Education, and Welfare:				
Assistance for school construction and operation in federally affected areas:				
School construction [1]	214	67,068,366	92,935,000	81,180,000
Maintenance and operation of schools [1]	214	93,194,675	113,659,000	27,125,000
Vocational education	214	37,582,036	40,908,412	40,888,412
Colleges for agriculture and the mechanic arts	214	5,051,500	5,051,500	5,051,500
Grants for library services	215	1,440,000	5,510,000	3,100,000
Vocational rehabilitation [1]	217	34,228,823	42,923,000	46,500,000
Education of the blind	217	230,000	328,000	400,000
Department of Agriculture: National school lunch program [1]	217	97,790,965	98,610,400	98,625,000
National Science Foundation: Grants for research equipment [1]	217	5,700	728,800	1,779,200
BUDGET ACCOUNTS—Continued				
Grants-in-aid—Continued				
Labor and welfare—Continued				
Proposed legislation:				
Department of Health, Education, and Welfare:				
Extension of assistance for school construction and operation in federally affected areas:				
School construction [1]	214			$1,400,000
Maintenance and operation of schools [1]	214			83,000,000
Promotion of science and general education [1]	214			70,000,000
Total, labor and welfare		$2,384,322,073	$2,773,527,874	2,867,633,049
Agriculture and agricultural resources:				
Department of Agriculture:				
Commodity Credit Corporation and removal of surplus agricultural commodities:				
Contributions to school-lunch and milk programs and to other public agencies [1]	351	271,377,828	275,607,318	326,365,347
Emergency feed and seed assistance	352	17,426,445	100,000	
Watershed protection	354	5,561,001	10,380,000	13,400,000
Flood prevention [1]	354	7,646,941	11,644,000	11,500,000
Cooperative agricultural extension work [1]	355	49,787,806	57,106,715	58,226,707
Agricultural experiment stations [1]	355	28,829,098	30,061,500	29,912,000
Agricultural Marketing Act:				
Cooperative projects in marketing [1]	355	1,160,000	1,160,000	1,160,000
Total, agriculture and agricultural resources		381,789,119	386,059,533	440,564,054
Natural resources:				
Department of the Interior: Bureau of Reclamation: Small reclamation projects [2]	401		6,000	50,000
Department of Agriculture:				
State and private forestry cooperation	402	10,831,556	1,400,000	20,000
Assistance to States for tree planting	402		425,842	30,000
Forest protection and utilization [1]	402		11,971,576	10,921,576
Department of the Interior:				
Drainage of anthracite mines	403	7,801	2,425,000	4,000,000
Fish and wildlife restoration [1]	404	15,739,837	18,500,000	18,000,000
Total natural resources		26,579,194	34,728,418	33,021,576
Commerce and housing:				
Department of Commerce:				
State marine schools [1]	511	292,523	352,900	330,400
Other Federal highway programs [1]	512	2,176,012	4,119,695	200,000
War and emergency damage, roads, Territory of Hawaii	512	82,500		
Federal-aid airport program [1]	513	20,629,109	40,144,267	51,500,000

[1] Part of a larger appropriation account.

[2] Part of a larger appropriation account. A related part of this appropriation is shown under repayable advances.

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Special Analysis G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Based on existing and proposed legislation—Continued

Function, agency, and program	Functional code	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS—Continued				
Grants-in-aid—Continued				
Commerce and housing—Continued				
Housing and Home Finance Agency:				
Slum clearance and urban renewal, capital grants [2]	515	$29,621,634	$46,247,389	$53,700,000
Urban planning grants	515	650,854	2,474,720	3,100,000
Defense community facilities and services [2]	515	653,943	1,546,027	
Low-rent public housing program—annual contributions [2]	516	86,687,106	98,708,539	109,250,000
Department of Health, Education, and Welfare: Defense public works, community facilities	515	271,875	78,000	
Department of the Interior:				
Virgin Islands public works	515	53,738	25,000	67,881
Alaska public works [2]	515	3,876,318	3,731,500	3,350,000
Federal Civil Defense Administration: Federal contributions	520	8,647,943	8,000,000	10,000,000
Funds appropriated to the President: Disaster relief	521	10,166,417	14,700,000	15,000,000
Proposed legislation: Federal Civil Defense Administration: Assistance to States	520			16,000,000
Total, commerce and housing		163,809,972	220,128,037	262,498,281
General government:				
Department of the Interior:				
Grants to American Samoa, Guam, and the trust territories	609	5,855,400	5,854,900	5,769,400
Care and custody of Alaska insane	609	228,774	71,143	
District of Columbia: Federal contribution [1]	609	20,000,000	20,000,000	25,000,000
Total, general government		26,084,174	25,926,043	30,769,400
Total, grants-in-aid		2,990,802,128	3,449,315,905	3,643,358,360
Shared Revenues				
Agriculture and agricultural resources: Department of Agriculture: Submarginal land program	354	491,389	425,000	425,000
Natural resources:				
Federal Power Commission: Federal Power Act	401	32,980	44,000	40,000
Department of the Interior:				
Grazing receipts to States	401	366,008	450,760	454,200
Proceeds to States, sales of public land and materials	401	159,389	198,100	238,400
Alaska school lands, income and proceeds	401	15,215	25,000	25,000
Columbia Basin project, payments in lieu of taxes	401	30,452	30,452	30,452
Boulder Canyon project, payments to Arizona and Nevada	401	600,000	600,000	600,000
Oregon and California land-grant fund, to counties	402	11,909,395	9,805,664	11,065,000
BUDGET ACCOUNTS—Continued				
Shared Revenues—Continued				
Natural resources—Continued				
Department of the Interior—Con.				
Payment to Coos and Douglas Counties, Oreg., on Coos Bay Wagon Road grant lands	402	$21,550	$50,000	$50,000
Payments to Oklahoma from oil and gas royalties	403	5,893	9,433	10,000
Mineral Leasing Act, to States	403	25,591,795	30,367,500	29,388,000
Payments to Alaska, coal leases	403		45,000	90,000
Payments to counties, Migratory Bird Conservation Act	404	571,307	650,000	650,000
Payment to Wyoming in lieu of taxes, Grand Teton National Park	405	26,487	27,210	28,380
Department of Agriculture:				
National forests fund, to States for counties and schools	402	28,666,244	27,146,600	27,146,600
Department of Defense—Civil Functions: Flood Control Act of 1954 to States	401	1,472,476	1,461,149	1,500,000
Tennessee Valley Authority: Payments in lieu of taxes	401	4,744,401	5,276,000	6,160,000
Total, natural resources		74,213,592	76,186,868	77,476,032
General government:				
Department of the Interior: Internal revenue collections, Virgin Islands	609	2,469,426	3,279,133	3,000,000
Treasury Department: Tax collections for American Samoa, Puerto Rico, and Guam	609	19,194,499	19,941,332	20,020,000
Total, general government		21,663,925	23,320,465	23,020,000
Total, shared revenues		96,368,906	99,932,333	100,921,032
Net loans and repayable advances:				
Labor and welfare: General Services Administration: Hospital facilities in District of Columbia (private nonprofit) [3]	213	3,688,725	4,000,000	2,000,001
Agriculture and agricultural resources: Watershed protection [4]	354		1,000,000	1,500,000
Natural resources: Department of the Interior:				
Bureau of Reclamation: Small reclamation projects [3]	401	30,000	3,833,000	
Distribution systems on Federal reclamation projects	401			3,800,000
Commerce and housing:				
Housing and Home Finance Agency:				
Public facility loans	515	633,316	15,000,000	23,950,000
Public works planning [4]	515	1,192,112	5,200,000	8,050,000
Slum clearance and urban renewal [3]	515	8,936,887	7,145,000	−6,900,000
Low-rent public housing and community facilities	516	1,700,013	−2,001,600	−3,149,150
College housing	517	48,376,300	96,600,000	142,350,000
Department of the Interior:				
Alaska public works [3]	515	3,876,318	3,731,500	3,350,000

[1] Part of a larger appropriation account.

[2] Part of a larger appropriation account. A related part of this appropriation is shown under repayable advances.

[3] Part of a larger appropriation account. A related part of this appropriation is shown under grants-in-aid.

[4] Part of a larger account.

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Special Analysis G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Based on existing and proposed legislation—Continued

Function, agency, and program	Functional code	1957 actual	1958 estimate	1959 estimate
BUDGET ACCOUNTS—Continued				
Shared Revenues—Continued				
Net loans and repayable advances—Continued				
Commerce and housing—Con.				
Federal Civil Defense Administration: Procurement fund	520	—$734,501	$467,558	$21,960
General Government: District of Columbia: Loans for capital outlays	609	3,900,000	7,503,000	10,380,000
Total net budget expenditures for loans and repayable advances		71,599,170	142,478,458	185,352,811
Subtotal all net budget expenditures		3,158,770,204	3,691,726,696	3,929,632,203
TRUST FUNDS				
Commerce and housing:				
Department of Commerce: Bureau of Public Roads:				
Federal-aid highways	500	$952,556,601	$1,751,893,266	$2,326,261,000
Public lands highways [1]	500			2,652,000
Subtotal trust account expenditures for grants-in-aid		952,556,601	1,751,893,266	2,328,913,000
Total, net budget and trust account expenditures for grants-in-aid, shared-revenues, loans and repayable advances		4,111,326,805	5,443,619,962	6,258,545,203
SUMMARY				
Grants-in-aid, loans, and repayable advances for civil public works:				
Budget accounts		214,944,963	395,305,789	488,192,682
Highway trust fund		952,556,601	1,751,893,266	2,328,913,000
Grants for hospital construction to private nonprofit institutions		39,344,249	54,290,000	62,740,937
Other grants-in-aid, shared revenues, loans and repayable advances		2,904,480,992	3,242,130,907	3,378,698,584
Total, net budget and trust account expenditures for grants-in-aid, shared-revenues, loans and repayable advances		4,111,326,805	5,443,619,962	6,258,545,203

[1] Financed from highway trust fund.

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Special Analysis H

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS

This analysis summarizes Federal expenditures in 1957, 1958, and 1959 for research and development to discover new facts concerning phenomena, primarily in the natural sciences, and to apply existing knowledge to new technological uses. Included are expenditures for the performance of research under the head "Conduct of research and development" and for the construction, improvement, and equipping of research facilities under the head "Increase of research and development plant." The contribution of the Federal Government in support of scientific training is dealt with separately in a supplementary section at the end of this textual analysis.

Net budget expenditures for Federal scientific research and development programs are estimated to be $3,722 million in 1959, an increase of $295 million over 1958 and $694 million over 1957.

Table 1.—*Total Federal research and development expenditures*

[In millions]

Purpose	1957 actual	1958 estimate	1959 estimate
Conduct of research and development	$2,723.8	$3,037.4	$3,384.9
Increase of research and development plant	303.6	389.1	336.9
Total	3,027.4	3,426.5	3,721.8

In addition to these expenditures, which are based on a strict definition of research and development, it is estimated that $2.5 to $3 billion a year is being spent by the Department of Defense from procurement appropriations for weapons testing and evaluation and other activities closely supporting research and development programs.

Over four-fifths of the expenditures of the Federal Government for research and development are directed primarily to national security needs. The total for this purpose is estimated at $3,093 million in 1959. The Department of Defense programs for new and improved weapons, equipment, and defense techniques account for 63% of total 1959 expenditures; the research programs of the Atomic Energy Commission account for 19%. Much of this research also contributes to the civilian economy and to improvements in the health, welfare, and technological advancement of the Nation as a whole. Of particular note is the substantial support given by the Atomic Energy Commission to the development of atomic power for civilian applications.

Expenditures for other than major national security programs are estimated at $629 million in 1959 or 17% of total Federal research and development expenditures. Of this amount, one-third is for programs of the Department of Health, Education, and Welfare, chiefly the medical research activities conducted and supported by the Public Health Service. Substantial programs of research and development are also conducted by the Departments of Agriculture, Interior, and Commerce, along with the National Advisory Committee for Aeronautics and the National Science Foundation.

Expenditures for basic research, the fundamental scientific knowledge which underlies the Nation's research and development and its technological progress, will increase in 1959. Including $55 million in expenditures of the National Science Foundation for general purpose basic research and amounts spent by other agencies for such research related to their scientific missions, it is estimated that approximately $300 million will be devoted to basic research in 1959.

Federal Government support approaches half the research and development costs of the Nation. Private industry finances much of the remainder, and smaller amounts are expended from funds of foundations, educational institutions, and by State and local governments.

Of the total Federal research and development expenditures, about one-half are made directly by Government research laboratories and facilities. The remaining expenditures are chiefly made through contracts with private industry and through grants and contracts with universities.

Table 2.—*Division of Federal expenditures for research and development between major national security and other programs*

[In millions]

Fiscal year	Major national security	Other	Total
1940	$26	$48	$74
1941	144	54	198
1942	211	69	280
1943	472	130	602
1944	1,178	199	1,377
1945	1,372	219	1,591
1946	784	134	918
1947	768	130	898
1948	698	155	853
1949	889	191	1,080
1950	871	209	1,080
1951	1,063	235	1,298
1952	1,565	250	1,815
1953	1,830	270	2,100
1954	1,806	279	2,085
1955	1,804	281	2,085
1956 [1]	2,202	336	2,538
1957 [1]	2,596	431	3,027
1958 (estimate) [1]	2,886	541	3,427
1959 (estimate) [1]	3,093	629	3,722

[1] Figures under "Major national security" and "Total" include the pay and allowances of Department of Defense military personnel assigned to research and development activities, as follows: 1956, $188 million; 1957, $196 million; 1958, $193 million; 1959, $194 million.

In this analysis the term "conduct of research and development" includes activities in which the primary aim is either to develop new knowledge or to apply existing knowledge to new uses. These activities may be carried out in Government installations or in the facilities of private, State, or local organizations using Federal funds. Generally excluded from this definition are expenditures for routine testing, mapping and surveys, experimental production, information activities and training programs including fellowships for the support of graduate students in the sciences. This special analysis also omits expenditures for the collection of general-purpose statistics of the Census Bureau, Bureau of Labor Statistics, and other agencies, some of which expenditures were included in the similar tabulations of "Federal research and development programs" in preceding budgets. The principal statistical programs of the Federal Government are discussed in special analysis I in this budget.

Expenditures for increase of research and development plant include amounts for physical facilities such as land, buildings, and major equipment, regardless of whether the facility is to be used or owned by the Federal Government or by a private, State, or local organization.

All expenditures in this special analysis are net budget expenditures as defined in the introduction to part I of the budget; the estimated amounts include expenditures from supplemental appropriations proposed for later transmission. Table 17 relates the figures in this special analysis to the analysis of the investment, operating, and other budget expenditures presented in special analysis D.

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Department of Defense—Military Functions

The objective of the military research and development program of the Department of Defense is to provide new and improved weapons, equipments, and techniques which will significantly increase the effectiveness of the armed services. The program includes basic research, applied research, development, testing, and evaluation.

These activities are conducted principally by the military services under the general supervision of the Office of the Secretary of Defense. During 1958 the Department of Defense is establishing, as part of the Office of the Secretary, the Advanced Research Projects Agency which will conduct directly research and development concerned with such advanced systems of military significance as anti-ballistic-missile systems and certain space systems, including satellites.

Table 3.—*Expenditures of the Department of Defense for research and development*

[In millions]

Function and purpose	1957 actual	1958 estimate	1959 estimate
050 Major national security:			
Conduct of research and development	$1,881.8	$1,994.4	$2,269.7
Increase of research and development plant	177.3	204.4	90.9
Total, Department of Defense	2,059.1	2,198.8	2,360.6

CONDUCT OF RESEARCH AND DEVELOPMENT

The expenditures of the Department of Defense in this analysis for conduct of research and development consist of: (*a*) those included in the research and development category of the Department's budget, which covers only expenditures under the specific research and development appropriations of the military services, the Advanced Research Projects Agency, the emergency fund, and the United States Scientific Satellite account established in 1958; and (*b*) that part of the military personnel budget category which represents the pay and allowances of military personnel engaged in research and development activities. Related expenditures, in particular those under procurement appropriations, are not included.

Expenditures for conduct of research and development will rise sharply during the period covered by this analysis as a result of additional funds proposed in support of an intensified research and development effort. During 1958 additional funding of $62 million is being requested to augment the intermediate range ballistic missiles programs and to permit initiation of the activities of the Advanced Research Projects Agency. In addition, to increase the Department's funding flexibility during the remainder of 1958, authority is to be requested under the emergency fund to transfer an additional $100 million to research and development appropriations from other accounts. Utilization of this authority would have the effect of increasing the estimates shown in this analysis. In 1959 increased obligational authority is provided directly to the Advanced Research Projects Agency and the military departments.

More than half of the Department's research and development expenditures are for work performed under contracts with industrial and research organizations, including universities; the remainder are for work in the Department's research, development, and test installations. All major operating costs of the military installations are included in these estimates. In the case of contracts with industrial and research organizations, the estimates include a substantial part of contractor effort, but do not reflect the substantial expenditures made under the Department's procurement programs for design, engineering, fabrication, and testing of initial quantities of nonstandardized weapons and equipments. Expenditures of this character from procurement appropriations are estimated to be on the order of $2.5 billion to $3 billion a year in addition to the estimates shown in this analysis.

Table 4.—*Expenditures of the Department of Defense for conduct of research and development*

[In millions]

Operating agency	1957 actual	1958 estimate	1959 estimate
Advanced Research Projects Agency		$5.0	$199.1
Army	$435.1	450.0	460.0
Navy	522.6	573.1	605.0
Air Force	728.5	730.0	730.0
Special accounts[1]		43.0	81.2
Total, expenditures under research and development category	1,686.2	1,801.1	2,075.3
Expenditures under military personnel category	195.6	193.3	194.4
Total, conduct of research and development, Department of Defense	1,881.8	1,994.4	2,269.7

[1] Included under the heading "Special accounts" are: (*a*) Estimated expenditures, related to amounts of the emergency fund not yet distributed to performing agencies, and (*b*) expenditures under the United States Scientific Satellite account, which represent part of the support of Project VANGUARD, the remaining support being incorporated principally in expenditures of the Navy and the National Science Foundation for the International Geophysical Year program.

Obligations in major substantive fields are shown in table 5. The most significant trend indicated by these estimates is the continuing increase in emphasis on guided missiles accompanied, in 1959, by a significant decrease in aircraft programs. Programs concerned with space technology and systems, which are not shown separately, include certain activities of the Advanced Research Projects Agency and support derived from programs for advanced manned aircraft and guided missiles and from certain programs in the military sciences. Amounts shown in table 5 for operation of facilities are those amounts not distributed directly to other programs under current practices of each department. Since a large percentage of the undistributed amounts is related to the operation of aircraft and missile development and test installations, the effect of distributing these amounts would be to increase significantly the amounts shown for aircraft and guided missiles programs.

Certain of the fields outlined in table 5 are closely related to and coordinated with programs of the Atomic Energy Commission and the National Advisory Committee for Aeronautics.

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

TABLE 5.—*Obligations by program and expenditures of the Department of Defense for conduct of research and development (excluding costs under military personnel category)*

[In millions]

Program	1957 actual	1958 estimate	1959 estimate
Obligations:			
1. Aircraft and related equipment	$272.9	$272.4	$245.8
2. Guided missiles and related equipment	355.7	432.0	513.7
3. Ships and small craft and related equipment	73.8	80.7	97.7
4. Combat and support vehicles and related equipment	16.4	16.8	16.2
5. Artillery and other weapons and related equipment	10.9	16.7	14.7
6. Ammunition and related equipment	108.9	89.4	85.5
7. Other equipment	180.4	193.1	199.1
8. Military sciences	264.6	246.0	250.1
9. Operation and management of facilities	367.8	390.0	403.2
10. Advanced Research Projects Agency		10.0	300.0
11. Special accounts[1]		72.6	85.0
Total obligations	1,651.4	1,810.7	2,211.0
Expenditures:			
Total, research and development category	1,686.2	1,801.1	2,075.3

[1] Included under the heading "Special accounts" are: (*a*) estimated obligations related to amounts of the emergency fund not yet distributed to performing agencies: and (*b*) obligations under the United States Scientific Satellite account, which represent part of the support of Project VANGUARD, the remaining support being incorporated principally in obligations under the military sciences program of the Navy and in obligations of the National Science Foundation for the International Geophysical Year program.

INCREASE OF RESEARCH AND DEVELOPMENT PLANT

Estimates of increase in the research and development plant of the Department of Defense include all public works construction at installations having as their primary mission research, development, and testing, and that part of construction at other installations which is in support of the research and development program. The estimates include public works expenditures at certain contractor-operated installations but exclude development, engineering, fabrication, and test facilities provided to contractors under the procurement programs of the Department.

The sharp decline in expenditures in 1959, following the high levels of 1957 and 1958, reflects primarily the completion of major new development and test facilities required in support of the ballistic missiles programs.

TABLE 6.—*Expenditures of the Department of Defense for increase of research and development plant*

[In millions]

Operating agency	1957 actual	1958 estimate	1959 estimate
Army	$14.4	$33.2	$14.0
Navy	17.6	46.2	16.9
Air Force	145.3	125.0	60.0
Total	177.3	204.4	90.9

Military Assistance

As part of the military assistance program, the United States cooperates through the mutual weapons development program with a number of foreign countries to accelerate the development of advanced nonnuclear weapons. Current participants in the program, which is administered by the Department of Defense, are the United Kingdom, France, the Netherlands, Belgium, Norway, Italy, and West Germany. Projects are financed jointly by the United States and the countries undertaking particular developments, and in certain cases technical assistance is provided in addition to or in place of financial assistance. Expenditure estimates in table 7 represent United States participation.

TABLE 7.—*Expenditures of the mutual weapons development program for research and development*

[In millions]

Function	1957 actual	1958 estimate	1959 estimate
050 Major national security	$22.8	$29.2	$33.4

The projects are conducted by scientists and technicians of the participating countries and are directed at developing weapons, equipments, and techniques which are particularly well suited to the defense requirements and capacities of these countries.

Atomic Energy Commission

The Atomic Energy Commission's program includes both basic research and applied research and development. Basic research is conducted in the physical and life sciences to secure a better understanding of nuclear processes and subatomic particles and of the effect of nuclear radiation on living organisms. The applied research and development includes efforts to improve the processes used in the production of fissionable materials, to improve weapon types, and to find ways of obtaining useful power from nuclear reactions, including controlled thermonuclear reactions. While a large portion of this research program is of necessity aimed at military uses of atomic energy, an increasing portion is devoted to civilian applications. Moreover, the effort placed on military uses produces much information necessary for progress in the application of atomic energy for civilian purposes. The research and development program is carried on in the Commission's contractor-operated laboratories, in universities and other private research institutions, and by other industrial contractors.

TABLE 8.—*Expenditures of the Atomic Energy Commission for research and development*

[In millions]

Functions and programs	Conduct of research and development			Increase in research and development plant		
	1957 actual	1958 estimate	1959 estimate	1957 actual	1958 estimate	1959 estimate
050 Major national security:						
Production and weapons	$90.1	$118.7	$109.0	$4.9	$11.9	$11.4
Reactor development	244.8	318.4	331.3	48.0	60.5	93.4
Physical research	54.1	64.3	64.3	12.7	17.2	19.7
Biology and medicine	30.5	36.6	41.2	3.1	4.1	1.5
Equipment not included above				24.0	23.8	26.1
Total, Atomic Energy Commission	419.5	538.0	545.8	92.7	117.5	152.1

The program of research and development for production and weapons is mainly directed to developing improved production methods which would increase the capacity and efficiency of the plants producing special nuclear materials, and to developing concepts which lead

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

to improved weapons and weapons with special characteristics, such as small weapons for tactical and defensive purposes and weapons largely free from radioactive fallout.

In the field of reactor development, increasing effort is being devoted to developing means for producing electric power economically from atomic reactors through a variety of technical approaches. The increasing participation of industry in the program is expected to speed the achievement of this objective. The Commission is also continuing the development of reactors for the propulsion of commercial ships. Supplementing these specific projects is the advanced development of reactor materials, fuel elements, fuel separation systems, and reactor safety, which are applicable to many reactor designs and applications. Expenditures for research and development plant in this area are mainly for engineering laboratories, facilities to house reactor experiments, and experimental civilian atomic power reactors.

Increasing emphasis is being given to the development of experimental devices to achieve a controlled thermonuclear reaction. Larger and more advanced devices are being fabricated at four Commission laboratories and additional laboratory facilities are being constructed, primarily at Princeton University.

The Commission is developing numerous types of reactors for military use, principally propulsion reactors for military aircraft, missiles, and naval combatant ships. In the naval program increased emphasis is being given to the development of a propulsion reactor suitable for use in a destroyer. Construction is going forward on several prototype propulsion reactors as well as necessary supporting facilities.

The Commission's program of research in the physical sciences seeks out fundamental scientific truths; moreover, it contributes important basic data for use in the solution of problems related to the development programs discussed above. A major portion of the effort is to develop a fundamental understanding of atomic structure and forces through the use of particle accelerators, including two in the multibillion-electron-volt range. Considerable effort is also placed on research on the physical, chemical, and metallurgical properties of materials used in the Commission's programs. Much of the information developed may be applied to fields other than atomic energy. Construction expenditures include those for four additional multibillion-electron-volt particle accelerators at Brookhaven National Laboratory, Upton, N. Y.; Cambridge, Mass.; Princeton, N. J.; and Argonne National Laboratory, Lemont, Ill.

The program of research in biology and medicine is primarily aimed at securing an understanding of the effects of radiation on living organisms, developing methods of minimizing such effects, and analyzing the long-term effects of radiation hazards. An increasing effort is being placed on the development of methods of using atomic energy in biological research and in the diagnosis and treatment of human diseases.

Department of Health, Education, and Welfare

Expenditures for research and development in the Department of Health, Education, and Welfare are concentrated in the Public Health Service, principally in the medical research programs of the National Institutes of Health.

Increased expenditures are estimated for 1959 chiefly under the program of the Public Health Service to assist in the construction of health research facilities. This 3-year program, begun in 1957, authorized a total of $90 million in matching grants to universities and other nonprofit institutions. The expenditures for this purpose have risen as the institutions receiving Federal assistance have actually undertaken construction of new facilities. Expenditures for the conduct of research projects under the Public Health Service will continue at a high level in 1959 reflecting the rapid expansion in recent years of medical research centered in programs of the National Institutes of Health.

Small increases are also forecast in expenditures for other research programs of the Department, including the Office of Education, the Food and Drug Administration, Office of Vocational Rehabilitation, and the Social Security Administration.

Table 9.—*Expenditures for the Department of Health, Education, and Welfare for research and development*

[In millions]

Function	1957 actual	1958 estimate	1959 estimate
210 Labor and welfare	$143.6	$198.2	$217.3

The Public Health Service is responsible for the conduct and support of research to combat human diseases, chiefly through the research programs of the National Institutes of Health. The Institutes are organized on a category basis as illustrated in table 10 which summarizes the research activities of the Public Health Service.

Table 10.—*Expenditures of the Public Health Service for research and development*

[In millions]

Organizational unit and program	1957 actual	1958 estimate	1959 estimate
National Institutes of Health:			
Cancer	$30.1	$42.3	$41.5
Mental Health	12.8	18.8	17.9
Heart	24.3	25.8	25.5
Dental Research	4.0	4.4	4.3
Arthritis and Metabolic Diseases	13.8	16.9	17.1
Allergy and Infectious Diseases	13.3	15.6	16.1
Neurological Diseases and Blindness	13.0	15.8	15.1
Grants for construction of medical and dental research facilities	3.4	21.0	40.0
General research and other	11.4	12.8	13.4
Bureau of State Services	10.3	13.8	14.3
Other, Public Health Service	2.2	3.0	3.3
Total, Public Health Service	138.6	190.2	208.5

Two-thirds of the expenditures of the Public Health Service are for grants to universities, hospitals and other research centers to support scientists in their study of the causes and cure of diseases and in basic research which is fundamental to further progress in medical science. The balance of the expenditures is made in laboratories of the Public Health Service, chiefly at the facilities of the National Institutes of Health in Bethesda, Maryland.

The Office of Education undertakes and sponsors research on educational problems of broad national importance. It conducts studies through its own staff and makes contracts for cooperative research with colleges and universities and with State departments of education. The increased expenditures in 1959 are chiefly devoted to

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

expansion of the cooperative research program which began in 1957. Under this program attention is being given particularly to projects related to educating the mentally retarded and gifted children, to recruiting and training teachers, to school building needs, as well as to other contemporary educational problems.

The Office of Vocational Rehabilitation administers a program of grants to States and to private and nonprofit agencies for research projects which show promise of contributing to the solution of vocational rehabilitation problems common to several or all the States.

Research is also conducted by the Food and Drug Administration in connection with its enforcement activities and by the Social Security Administration on the extent of public and private insurance and assistance programs and on the health and welfare needs of children.

Department of Agriculture

Research in the Department of Agriculture is centered chiefly in programs of the Agricultural Research Service through laboratories and stations operated directly by the Department, through grants to States and through contracts and cooperative projects, chiefly with State agricultural experiment stations. Research is also conducted by the Forest Service, Agricultural Marketing Service, the Foreign Agricultural Service, the Farmer Cooperative Service, and the library of the Department.

Table 11.—*Expenditures of the Department of Agriculture for research and development*

[In millions]

Function	1957 actual	1958 estimate	1959 estimate
350 Agriculture and agricultural resources	$88.2	$99.3	$110.8
400 Natural resources	8.7	10.1	10.7
Total, Department of Agriculture	96.9	109.4	121.5

The increased expenditures for the Department for research in 1959 are principally for expansion of research on the utilization of farm products, under the Agricultural Research Service, which also conducts research on crop production, farm and land management, livestock, and home economics.

The Forest Service undertakes research in the field of forestry and wild land management to develop and improve forests, ranges, wildlife habitat and watershed management practices; to develop better measures for protecting forests from the ravages of fire, insects, and disease; to develop new and improved uses for forest products and to improve their marketing.

Research is conducted by the Agricultural Marketing Service on the distribution, storage, handling, transportation, and pricing of farm products. The Farmer Cooperative Service conducts studies relating to farmers' cooperatives engaged in the marketing of farm products, purchase of farm supplies and supplying farm business services. The departmental library makes available to the research workers of the Department data on previous research results in the field of agricultural research.

National Advisory Committee for Aeronautics

The research and development program of the National Advisory Committee for Aeronautics is directed at providing the scientific and engineering data necessary for continued improvement in the design and performance of manned aircraft, ballistic and other guided missiles, and their powerplants. The Committee is also conducting investigations concerned with space technology. Military problems, including specific problems in the development of particular military projects, are of special concern, and the Committee's program is closely coordinated with related programs of the Department of Defense.

Table 12.—*Expenditures of the National Advisory Committee for Aeronautics for research and development*

[In millions]

Function and purpose	1957 actual	1958 estimate	1959 estimate
500 Commerce and housing:			
Conduct of research and development	$55.2	$65.4	$69.4
Increase of research and development plant	20.8	28.6	31.1
Total, National Advisory Committee for Aeronautics	76.0	94.0	100.5

The increase in expenditures estimated for the conduct of research and development reflects planned augmentation of the Committee's research operations to meet the increasingly complex problems of flight over an ever-widening range of conditions, including the flight of manned and unmanned vehicles beyond the atmosphere. Supplemental funds are requested in 1958 to permit immediate initiation of this expanded effort, and the estimate for 1959 provides additional support for this purpose. Rising expenditures estimated for increase of research and development plant result from the $35 million construction program already approved for 1958. Supplemental funds of $7 million are being requested in 1958 to initiate certain important additional facilities and equipment; and new construction totaling $26 million in new obligational authority is proposed for 1959. Emphasis is currently being placed on facilities capable of providing data on the problems of hypersonic flight and on continuing modernization and improvement of existing research and supporting facilities.

National Science Foundation

Under its basic legislation, enacted in 1950, and Executive Order 10521, issued in 1954, the National Science Foundation is assuming increasing responsibility for the encouragement and support by the Federal Government of general-purpose basic research in this country. Grants are made to colleges, universities, and other research institutions for the conduct of fundamental investigation in the biological, medical, mathematical, physical, engineering, and social sciences.

Table 13.—*Expenditures of the National Science Foundation for research and development*

[In millions]

Function and program	1957 actual	1958 estimate	1959 estimate
210 Labor and welfare:			
Regular activities	$16.9	$21.2	$52.7
International Geophysical Year	15.0	16.5	2.0
Total, National Science Foundation	31.9	37.7	54.7

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Increased funds are provided for this purpose by the 1959 budget to permit support of a substantially greater number of promising research proposals. The Foundation is also aiding the advancement of basic research by providing special facilities for scientific experimentation and investigation. Such facilities include radio and optical astronomy observatories, a solar research telescope, reactors and other devices for nuclear research, university computers, and support for laboratories and other facilities for biological research.

In addition to its direct support of research, the National Science Foundation is responsible for studying the Nation's research efforts and recommending to the President policies relating to the place of the Federal Government in the encouragement, support, and conduct of research and science education.

The Foundation has responsibility for supporting the United States program for the International Geophysical Year, being held in 1957–58. This worldwide program involves research by scientists of over 50 nations during the period indicated in order to obtain data which will advance the world's knowledge of the earth and its physical characteristics, including conditions above the atmosphere through the launching of earth-circling satellites. Funds for this program provide for establishing and maintaining observation stations and for procurement of scientific equipment—largely reflected in expenditures prior to 1959.

DEPARTMENT OF THE INTERIOR

The major research expenditures of the Department of the Interior are under the Bureau of Mines, the Geological Survey, and the Fish and Wildlife Service. Smaller amounts are expended for research in the utilization of saline water and for programs in the Bureau of Reclamation and the National Park Service.

TABLE 14.—*Expenditures of the Department of the Interior for research and development*

[In millions]

Function	1957 actual	1958 estimate	1959 estimate
400 Natural resources	$39.4	$44.9	$48.8

The Bureau of Mines conducts research on technological and economic problems of the mineral industry and on improvements to promote safe and healthy working conditions in mines.

The Geological Survey conducts investigations of the availability and quality of surface and underground water resources and the nature and occurrence of minerals and mineral fuels.

In the Bureau of Reclamation, research is undertaken to develop improved design, construction, and operation of irrigation projects.

The research programs of the Fish and Wildlife Service are directed to the conservation of the Nation's animal life and thus to promote the maximum use and enjoyment of wildlife resources.

AIRWAYS MODERNIZATION BOARD

The Airways Modernization Board, established in 1957, is responsible for conducting research and development on air traffic control systems and equipment. Work of this type formerly carried on by the Departments of Defense and Commerce is being transferred to the Board in 1958. New obligational authority of $35 million is recommended in the budget for 1959 to strengthen research and development efforts in this area to meet future requirements of civil and military aviation.

TABLE 15.—*Expenditures of the Airways Modernization Board for research and development*

[In millions]

Function	1957 actual	1958 estimate	1959 estimate
500 Commerce and housing		$5.7	$28.0

DEPARTMENT OF COMMERCE

The largest research and development program of the Department of Commerce is that of the National Bureau of Standards. Research and development is also conducted by the Maritime Administration, the Civil Aeronautics Administration, the Weather Bureau, and to a lesser extent by the Census Bureau, the Office of Business Economics, the Patent Office, and the Coast and Geodetic Survey.

TABLE 16.—*Expenditures of the Department of Commerce for research and development*

[In millions]

Function	1957 actual	1958 estimate	1959 estimate
210 Labor and welfare	$8.4	$8.8	$10.5
510 Commerce and housing	7.1	7.1	11.3
600 General government	2.3	2.5	2.6
Total, Department of Commerce	17.8	18.4	24.4

Expenditures for the directly financed activities of the National Bureau of Standards will rise in 1959, reflecting an expansion of the Bureau's research programs which are aimed at improving the national standards of physical measurement to keep pace with scientific and technological advances.

The Maritime Administration is conducting research on the improvement of marine engines and on ship design, cargo handling, materials and equipment, and nuclear propulsion.

Expenditures under the Civil Aeronautics Administration reflect research primarily on improvement of navigational aids and of air traffic control aids and equipment now in service use.

The Weather Bureau conducts a program of meteorological research with special emphasis on investigation of severe storms, such as hurricanes and tornadoes, and on the development of weather forecasting through use of high-speed electronic computers.

OTHER AGENCIES

Research is also conducted by a number of other agencies in furtherance of their assigned responsibilities. These include the Civil Service Commission, the Federal Civil Defense Administration, the Federal Communications Commission, the General Services Administration, the Housing and Home Finance Agency, the Post Office

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Department, the State Department, the Tennessee Valley Authority, the Treasury Department, the United States Information Agency, and the Veterans Administration. The General Services Administration research is almost entirely contract research, financed from funds available to the President under the Defense Production Act, and is directed toward increasing the supply of strategic and critical raw materials.

Table 17.—*Reconciliation with special analysis D, investment operating, and other budget expenditures*

[In millions]

Category	1957 actual	1958 estimate	1959 estimate
Amounts for conduct of research and development included in:			
Expenditures for other developmental purposes: Research and development:			
Civil:			
Direct Federal programs	$362	$438	$500
Grants-in-aid	35	35	35
Major national security	2,304	2,535	2,817
Current expenditures for aids and special services: International: Major national security: Funds appropriated to the President: Military assistance [1]	23	29	33
Total, conduct of research and development	2,724	3,037	3,385
Amounts for increase of research and development plant included in:			
Additions to Federal assets:			
Public works—sites and direct construction:			
Civil: Research and development plant	19	32	39
Major national security: Research and development plant	246	298	217
Major equipment:			
Civil: Research and development plant	10	12	10
Major national security: Research and development plant	24	24	26
Expenditures for other developmental purposes:			
State and local physical assets: Grants-in-aid:			
Public works items, research and development plant	1	9	18
Other than public works items, research and development plant		1	2
Private physical assets: Direct Federal programs: Research and development plant	3	12	25
Rounding adjustments	1	1	
Total, increase of research and development plant	304	389	337

[1] Not separately identified in special analysis D.

Federal Activities Contributing to Training in the Sciences

The foregoing analysis deals with expenditures of the Federal Government for the support of research and development and for the acquisition and improvement of scientific equipment and facilities. Equally important, however, to the progress of research is the education of future scientists and engineers and the further training of those already engaged in teaching and research careers in the sciences and mathematics.

Many of the research and development activities reported in this special analysis, as an important byproduct, assist in the education of scientists and engineers. In addition, the Federal Government contributes directly to the education of new scientists and engineers through fellowships, traineeships, training grants, and other programs directed toward the improvement of science teaching and the encouragement of young people in scientific careers. In the following paragraphs there are described a number of programs primarily directed toward increasing the long-term supply of scientists and engineers and to improving the effectiveness of those already teaching or undertaking research in science and mathematics in positions outside the Federal establishment. Thus there is excluded a number of in-service training programs by Federal agencies, which also make a substantial contribution to improving the scientific position of the Nation as a whole. While not a complete cataloging, this description indicates the range of extramural programs in which the Federal agencies are engaged and gives some data on the relative size of such programs.

Special note should be taken of the expansion of programs for education in the sciences of the National Science Foundation and the related new programs of the Department of Health, Education, and Welfare to improve science teaching. The Foundation programs, totalling $79 million in new obligational authority, are designed to interest more young people in science careers, to improve the curricula and methods of teaching science and mathematics, to supplement the training of teachers in these fields at the high school and university levels, and to provide greater opportunity for postgraduate and other advanced study in the sciences. The assistance under these programs will be primarily through grants to universities or through fellowships to individuals. The legislative proposals for the Department of Health, Education, and Welfare, which provide for both general education and science programs, include $110 million in new obligational authority to inaugurate a 4-year program of grants to States to strengthen State departments of education and local school systems particularly in the teaching of science and mathematics. Some of the other proposed activities to be undertaken by this Department, although concerned largely with general education, would also aid science education; for example, a substantial number of the 10,000 general college scholarships would be awarded to science students.

RESEARCH ASSISTANTSHIPS

In the process of carrying out much of their Government-financed research under grants and contracts, educational institutions employ research assistants to perform junior level research work on Government projects while they are engaged in completing undergraduate, graduate, or postgraduate training. Such employment contributes to the technical training of the student, and, through the income it provides, indirectly assists him in completing his education.

It is estimated that under research and development contracts of the Department of Defense from 10,000 to 15,000 research assistants are given employment each year, while other agencies would account for employment of more than 12,000 by 1959.

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

FELLOWSHIPS

The National Science Foundation and the Public Health Service of the Department of Health, Education, and Welfare award fellowships to individuals for the purpose of promoting graduate education and improving teaching in the sciences. These fellowships are available primarily in the physical and life sciences and are not restricted to specific fields or subdisciplines of study.

The Department of State, through the International Education Exchange Service, also assists in science education through fellowships available in all fields. It is estimated that in 1959 the Department will award upwards of 3,000 fellowships to improve teaching, research, and graduate training in the natural and social sciences fields and to promote the sharing of ideas with other nations of the free world. They are awarded both to Americans going abroad and to foreign students coming to this country.

The Public Health Service offers fellowships chiefly for predoctoral and postdoctoral study in the life sciences. In 1959 about 1,000 fellowships will be awarded by the Service as a means of increasing the number of scientists qualified to carry on research in medical and related fields.

The National Science Foundation will award in 1959 over 1,500 fellowships for predoctoral and postdoctoral study in the sciences, generally with emphasis on training in the natural sciences. In 1959, the Foundation will inaugurate a program to provide fellowships for summer study in the sciences to an estimated 4,000 high school teachers and college teaching assistants.

For purposes of this analysis fellowships in more specific areas of science are discussed below under the following category "Specialized fellowships and traineeships."

SPECIALIZED FELLOWSHIPS AND TRAINEESHIPS

Specialized fellowships and traineeships are awarded by the Federal Government primarily for the purpose of providing advanced education and training opportunities in specific fields for individuals who have completed their basic professional education.

The Department of Health, Education, and Welfare, the National Science Foundation, and the Atomic Energy Commission have the largest and most significant programs in this area.

It is estimated that the Department of Health, Education, and Welfare will award 2,000 specialized fellowships and traineeships for graduate study primarily in medical specialties during 1959.

The Foundation will begin a program to increase the supply of high school science teachers through the award of 800 traineeships in 1959 to train persons several years out of high school who demonstrate an aptitude for science teaching.

The Atomic Energy Commission supports graduate students in such fields as reactor technology, radiological physics, and industrial health and medicine. In 1959 the Commission will award nearly 350 specialized fellowships and traineeships in these fields.

TRAINING GRANTS

Training grants are ordinarily awarded for the purpose of establishing, expanding, improving, or continuing programs of training in the sciences. As distinguished from fellowships and traineeships—awarded directly to individuals—training grants are made to institutions and serve to strengthen the capacity of the recipient institutions of higher education to perform their research and training functions.

The largest program is that of the Public Health Service, National Institutes of Health in the Department of Health, Education, and Welfare, which will offer in 1959 training grants totaling $35 million to assist undergraduate and graduate training in medical and related fields. The grants may generally be used either for the establishment or strengthening of programs or for the payment of stipends to trainees selected by the recipient institutions.

Also in the Department of Health, Education, and Welfare, the Office of Vocational Rehabilitation will make grants totaling $5 million in 1959 to schools, universities, and other agencies to pay part of the cost of training projects in fields concerned with rehabilitation.

The Atomic Energy Commission operates several training grant programs for which an estimated $3 million will be allocated in 1959. The Commission makes grants to assist nonprofit educational institutions acquire teaching aids, demonstration apparatus, and laboratory equipment including educational reactors. Specialized equipment and limited operational assistance are offered to medical schools to encourage training in the use of radioisotopes. A similar program is directed to colleges and universities for the instruction of students in the biological and agricultural sciences. In addition, equipment and operational assistance is granted to schools of public health for radiation safety training.

The National Science Foundation in 1959 will inaugurate a program of training grants to universities to strengthen graduate instruction in the sciences. Under this program grants aggregating $5 million will be made during 1959, including stipends for fellows selected jointly by the participating institutions and the Foundation.

OTHER AIDS TO SCIENCE TEACHING

Closely related to training grants with respect to providing a variety of aids for science teaching are several programs, chiefly those of the Department of Health, Education, and Welfare under proposed legislation and those of the National Science Foundation under its greatly increased budget for 1959 to support education in the sciences.

The largest single program of the Foundation in this area is the support of training institutes to alleviate the shortage of both high school and college science teachers, and to augment the training of present science teachers. In 1959 the Foundation will allocate over $35 million for grants to universities to permit them to sponsor summer, academic year, and other specialized institutes for school and college mathematics and science teachers including provision for stipends to be paid to the participants. Over 32,000 teachers will be assisted under the various institute programs.

The Foundation also sponsors a number of other activities designed to interest able students in undertaking careers in science and science teaching, including support for visiting scientists who lecture in the high school classroom; for student participation in science fairs and exhibits; and for the development of career guidance materials. Finally, the Foundation supports several activities di-

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

rected to the improvement of high school and college science curriculums. For these and other specialized projects in science education the Foundation will spend more than $20 million in 1959.

The Department of Health, Education, and Welfare will inaugurate in 1959, under a proposed legislative program, grants to States, totaling $110 million, to strengthen State departments of education and local school systems in the teaching of science and mathematics. Together with matching funds from the States, these grants may be used for such purposes as the purchase of instructional material, the refurbishing and equipping of laboratories, and the compensation of science teachers.

OTHER PROGRAMS

A number of agencies undertake cooperative educational programs to contribute to training in the sciences and to encourage recruitment and retention of scientific and engineering personnel. Such programs may operate through formal agreements whereby a Government agency, an educational institution, and a student cooperate in planning a program in study and complementary employment, or with informal cooperation between agency, school, and student. Related to these cooperative educational programs is the extensive summer employment of qualified students in fields of mutual interest to the agency and to the student.

Finally there are a number of Federal activities which, while not directed toward increasing the supply of scientists and engineers, nevertheless materially assist to this end. These include such programs as the training of veterans, the Reserve Officer Training Corps, the in-service training of Government civilian and military personnel, and medical and dental internships and residencies at Government hospitals.

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Special Analysis H—Continued

NET BUDGET EXPENDITURES FOR FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS

Based on existing and proposed legislation

Function and agency	Functional code	1957 actual			1958 estimate			1959 estimate		
		Conduct of research and development	Increase of research and development plant	Total	Conduct of research and development	Increase of research and development plant	Total	Conduct of research and development	Increase of research and development plant	Total
MAJOR NATIONAL SECURITY										
Department of Defense—Military Functions:										
Office of the Secretary	051				$5,000,000		$5,000,000	$199,109,000		$199,109,000
Department of the Air Force	052	$841,836,859	$145,300,000	$987,136,859	839,300,000	$125,000,000	964,300,000	839,000,000	$60,000,000	899,000,000
Department of the Army	053	474,983,636	14,400,000	489,383,636	492,800,000	33,200,000	526,000,000	504,800,000	14,000,000	518,800,000
Department of the Navy	054	565,018,280	17,647,000	582,665,280	614,270,206	46,250,000	660,520,206	645,600,000	16,862,000	662,462,000
Interservice activities	055				43,000,000		43,000,000	81,200,000		81,200,000
Atomic Energy Commission	056	419,517,000	92,659,000	512,176,000	538,016,000	117,467,000	655,483,000	545,809,000	152,097,000	697,906,000
General Services Administration: From funds appropriated to the President for expansion of defense production	057	2,235,624		2,235,624	2,143,000		2,143,000	1,310,000		1,310,000
Department of Defense: Military assistance: From funds appropriated to the President for military assistance	058	22,848,946		22,848,946	29,200,000		29,200,000	33,400,000		33,400,000
Total, major national security		2,326,440,345	270,006,000	2,596,446,345	2,563,729,206	321,917,000	2,885,646,206	2,850,228,000	242,959,000	3,093,187,000
VETERANS' SERVICES AND BENEFITS										
Veterans Administration	105	9,381,312		9,381,312	12,080,000		12,080,000	11,250,000		11,250,000
INTERNATIONAL AFFAIRS AND FINANCE										
Department of State	151	356,689		356,689	311,331		311,331	311,331		311,331
United States Information Agency	153	34,537		34,537	47,000		47,000	24,000		24,000
Total, international affairs and finance		391,226		391,226	358,331		358,331	335,331		335,331
LABOR AND WELFARE										
Department of Labor:										
Bureau of Labor Standards	211	327,000		327,000	327,000		327,000	327,000		327,000
Bureau of Employment Security	211	4,058,740		4,058,740	3,542,775		3,542,775	3,795,600		3,795,600
Bureau of Labor Statistics	211	584,000		584,000	568,000		568,000	568,000		568,000
Women's Bureau	211	140,398		140,398	142,339		142,339	142,339		142,339
Wage and Hour Division	211	265,000		265,000	278,000		278,000	178,000		178,000
Department of Health, Education, and Welfare:										
Social Security Administration:										
Office of the Commissioner	212	86,000		86,000	123,000		123,000	166,000		166,000
Bureau of Public Assistance	212	98,000		98,000	104,000		104,000	111,000		111,000
Children's Bureau	213	110,000		110,000	133,000		133,000	144,500		144,500
Food and Drug Administration	213	1,227,600		1,227,600	1,446,000		1,446,000	1,537,000		1,537,000
Public Health Service	213	132,668,781	5,954,019	138,622,800	165,447,000	24,750,543	190,197,543	166,641,000	41,825,000	208,466,000
Office of Education	214	657,000		657,000	2,780,000		2,780,000	3,292,000		3,292,000
National Science Foundation	215	28,313,110	3,576,079	31,889,189	30,243,101	7,496,365	37,739,466	45,363,955	9,303,501	54,667,456
Smithsonian Institution	215	332,632		332,632	382,304		382,304	382,304		382,304
Department of Commerce:										
Bureau of Census	215	571,000		571,000	618,000		618,000	620,000		620,000
National Bureau of Standards	215	6,223,316	1,567,934	7,791,250	7,414,000	753,733	8,167,733	9,240,000	590,035	9,830,035
Department of Health, Education, and Welfare: Office of Vocational Rehabilitation	217	2,793,537		2,793,537	3,449,000		3,449,000	3,600,000		3,600,000
Total, labor and welfare		178,456,114	11,098,032	189,554,146	216,997,519	33,000,641	249,998,160	236,108,698	51,718,536	287,827,234
AGRICULTURE AND AGRICULTURAL RESOURCES										
Department of Agriculture:										
Agricultural Research Service	355	76,941,069	1,515,133	78,456,202	84,786,500	3,983,000	88,769,500	89,577,000	10,272,390	99,849,390
Farmer Cooperative Service	355	347,000		347,000	383,000		383,000	393,000		393,000
Agricultural Marketing Service	355	8,821,562		8,821,562	9,497,800	70,000	9,567,800	9,877,300	10,000	9,887,300
Foreign Agricultural Service	355	361,500		361,500	352,000		352,000	363,000		363,000
Library	355	237,000		237,000	275,000		275,000	340,500		340,500
Total, agriculture and agricultural resources		86,708,131	1,515,133	88,223,264	95,294,300	4,053,000	99,347,300	100,550,800	10,282,390	110,833,190

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NET BUDGET EXPENDITURES FOR FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Based on existing and proposed legislation

Function and agency	Functional code	1957 actual			1958 estimate			1959 estimate		
		Conduct of research and development	Increase of research and development plant	Total	Conduct of research and development	Increase of research and development plant	Total	Conduct of research and development	Increase of research and development plant	Total
NATURAL RESOURCES										
Tennessee Valley Authority	401	$2,313,478	$14,585	$2,328,063	$2,354,000	$4,000	$2,358,000	$2,483,000	$3,000	$2,486,000
Department of Defense—Civil Functions	401	1,759,827		1,759,827	2,000,000		2,000,000	2,350,000		2,350,000
Department of the Interior:										
Office of Saline Water	401	498,651		498,651	671,000		671,000	800,000		800,000
Bureau of Reclamation	401	189,600		189,600	203,900		203,900	171,800		171,800
Department of Agriculture: Forest Service	402	8,682,845		8,682,845	10,146,700		10,146,700	10,684,700		10,684,700
Department of Interior:										
Bureau of Mines	403	16,023,960	59,236	16,083,196	17,460,000	24,000	17,484,000	19,120,000		19,120,000
Fish and Wildlife Service	404	11,369,000	33,000	11,402,000	12,214,000	1,300,000	13,514,000	12,428,000	867,000	13,295,000
National Park Service	405	253,486		253,486	462,396		462,396	404,050		404,050
Geological Survey	409	11,000,000		11,000,000	12,500,000	85,000	12,585,000	15,000,000		15,000,000
Total, natural resources		52,090,847	106,821	52,197,668	58,011,996	1,413,000	59,424,996	63,441,550	870,000	64,311,550
COMMERCE AND HOUSING										
Department of Commerce: Maritime activities	511	3,179,000		3,179,000	3,135,000		3,135,000	5,996,000		5,996,000
Treasury Department: Coast Guard	511	292,000		292,000	361,000		361,000	361,000		361,000
Airways Modernization Board	513				5,700,000		5,700,000	28,000,000		28,000,000
Department of Commerce: Civil Aeronautics Administration	513	2,370,094		2,370,094	2,135,978		2,135,978	3,211,560		3,211,560
National Advisory Committee for Aeronautics	513	55,226,851	20,838,454	76,065,305	65,400,000	28,600,000	94,000,000	69,400,000	31,100,000	100,500,000
Post Office Department	514	1,219,800		1,219,800	5,755,000	150,000	5,905,000	4,753,000		4,753,000
Housing and Home Finance Agency	517				75,000		75,000			
General Services Administration	518	83,785		83,785	50,000		50,000			
Department of Commerce:										
Coast and Geodetic Survey	518	368,000		368,000	336,000		336,000	352,000		352,000
Office of Business Economics	518	951,952		951,952	1,030,220		1,030,220	1,275,000		1,275,000
Patent Office	518	280,000		280,000	430,000		430,000	455,000		455,000
Federal Communications Commission	519	104,500		104,500	104,915		104,915	115,830		115,830
Federal Civil Defense Administration	520	3,331,657		3,331,657	3,340,000		3,340,000	6,100,000		6,100,000
Total, commerce and housing		67,407,639	20,838,454	88,246,093	87,853,113	28,750,000	116,603,113	120,019,390	31,100,000	151,119,390
GENERAL GOVERNMENT										
Treasury Department: Bureau of Engraving and Printing	604	205,000		205,000	182,000		182,000	192,000		192,000
Civil Service Commission	606	228,800		228,800	135,790		135,790	135,790		135,790
Advisory Committee on Weather Control	607	250,951		250,951	213,022		213,022			
Department of Commerce: Weather Bureau	607	2,302,000		2,302,000	2,535,000		2,535,000	2,607,000		2,607,000
Total, general government		2,986,751		2,986,751	3,065,812		3,065,812	2,934,790		2,934,790
Total, all functions		2,723,862,365	303,564,440	3,027,426,805	3,037,390,277	389,133,641	3,426,523,918	3,384,868,559	336,929,926	3,721,798,485

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Special Analysis I

PRINCIPAL FEDERAL STATISTICAL PROGRAMS

This analysis presents a summary of the principal statistical programs of the Federal Government, showing the amounts provided for these programs in 1957 and 1958 and the amounts recommended for 1959. For current programs, 1959 budget recommendations provide a total of $34.9 million—an increase of $2 million over the amount available in 1958. In addition, $14.8 million is recommended for periodic census programs in 1959.

The recommendations for 1959 constitute a significant step toward implementation of an integrated program to supply improved statistical measures of the functioning, welfare and progress of our national economy. Specific needs for more accurate, comprehensive, and timely information have been emphasized in recent appraisals and reports by the Joint Economic Committee of the Congress, the Council of Economic Advisers, the National Bureau of Economic Research, and other groups representing business, labor, and research organizations.

The 1959 recommendations for statistical programs are designed to remedy some of the most important weaknesses which have been pointed out in these recent appraisals of the adequacy of existing economic statistics for the purposes they are intended to serve. They include a number of interrelated proposals, integrated within the framework of the national income and product accounts, for strengthening statistical series in areas where improvement is needed and where immediate changes are feasible.

The development of a better balanced, more adequate statistical program for the Government as a whole cannot be achieved in one year. Other improvements will be considered in future years.

CURRENT PROGRAMS

The principal current statistical programs are summarized here by broad subject areas to indicate the interrelationships of programs carried out by different agencies and to aid in evaluating the Government's overall statistical system. The agencies whose programs are included in this summary, in whole or in part, are shown in the table at the end of this analysis. Not all the Government's statistical activities are included in this summary: many other agencies contribute to the statistical system. In the course of their administrative operations such agencies as the Social Security Administration, Bureau of Employment Security, Bureau of Mines, Housing and Home Finance Agency, and Interstate Commerce Commission, for example, also collect certain statistical information widely used by the Government and the public.

As shown in this summary, obligations for principal current statistics increased from 1957 to 1958 by $3.1 million. Nearly half of this increase, however, was for the mandatory items in the 1958 budget—primarily direct agency contributions to the civil service retirement fund—and another large part was to provide for full-year costs of programs initiated in 1957. The only program increases made in 1958 were for preliminary tabulations by the Internal Revenue Service of key items in the income tax returns (under "National income and business financial accounts") and specialized projects in the Department of Agriculture (under "Production and distribution statistics").

Direct obligations for principal current statistical programs, by broad subject areas

[In millions]

Program	1957 actual	1958 estimate	1959 estimate
Labor statistics (Departments of Labor, Commerce, and Agriculture)	$7.0	$7.2	$7.4
Demographic statistics (Department of Health, Education, and Welfare and Departments of Commerce and Agriculture)	3.6	4.4	4.5
Prices and price indexes (Departments of Labor and Agriculture)	3.1	3.2	3.3
Production and distribution statistics (Departments of Agriculture and Commerce)	11.6	12.7	13.3
Construction and housing statistics (Departments of Commerce and Labor)	.7	.7	1.2
National income and business financial accounts (Departments of Commerce, Treasury, and Agriculture, Federal Trade Commission, Securities and Exchange Commission, and Small Business Administration)	3.8	4.6	5.2
Total, principal current programs	29.8	32.9	34.9

For 1959, increases totaling more than $1.8 million are recommended for the integrated program for the improvement of economic statistics, referred to above. These increases are offset in part by reductions of about $400,000 resulting from greater efficiency in operations, nonrecurring items, and minor program changes. The separate proposals included in the program for improving economic statistics are described below in the discussion of each of the broad subject areas included in the tabulation. Other increases recommended for 1959 include an additional amount of about $135,000 for the national health survey program (under "Demographic statistics") and a total of nearly $400,000 for statistical programs included in the governmentwide defense readiness program (almost $80,000 under "Labor statistics" and $300,000 under "Production and distribution statistics").

Labor statistics.—This area includes the statistics compiled by the Bureau of Labor Statistics on employment and wages, by industry; labor turnover; industrial hazards; foreign labor conditions; and productivity. It also includes statistical work by the Bureau of the Census on the number and characteristics of persons in the labor force, including employment or unemployment status; and by the Agricultural Marketing Service on farm labor.

Increases are recommended in this area in 1959 to provide for two projects in the Bureau of Labor Statistics that are part of the integrated statistical improvement program. Both of these projects are designed to strengthen estimates and analysis of changes in labor productivity: (1) an increase of $100,000 for employment series to provide for estimates of "hours worked" as well as "hours paid for" and inclusion of hours of "workers other than production workers" for manufacturing industries, and for collection of hours data for additional nonmanufacturing industries; and (2) an increase of $85,000 to provide for computation of productivity indexes for individual industries.

Demographic statistics.—The principal programs in this area are located in the Department of Health, Education, and Welfare: research and statistical activities of the Office of Education; compilation of the national statistics of births, deaths, marriages, and divorces by the National Office of Vital Statistics in the Public Health Service;

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SPECIAL ANALYSIS I—Continued

PRINCIPAL FEDERAL STATISTICAL PROGRAMS—Continued

and the national health survey conducted by the Public Health Service. Other programs included in this area are population estimates and projections made by the Bureau of the Census, and studies of the farm population by the Agricultural Marketing Service.

For 1959 an increase of about $135,000 is recommended for the national health survey program. Funds for this program were first provided in 1957, and full-scale operation of the survey began in 1958. The increase recommended meets the needs for full-year operation of the program at the level planned. Recommendations for 1959 also include $14,000 for the Office of Education to permit full-year operation of the expanded statistical program at the level authorized for 1958. In addition to the amount included for statistical services in the regular appropriation request for the Office of Education, new legislative proposals for 1959 call for increased funds, not shown in this analysis, for grants to the States for improvement of educational statistics.

Prices and price indexes.—Included in this area are the programs of the Bureau of Labor Statistics dealing with wholesale and consumer prices and price indexes; and of the Agricultural Marketing Service on prices received and paid by farmers and on factors affecting prices, supply and consumption of agricultural products.

An increase of $100,000 is recommended in 1959 for price statistics in the Bureau of Labor Statistics to provide additional price information needed for improving the national economic accounts. The expanded price program is also designed to provide improved price deflators for use in measuring changes in productivity and inventories. The expansion proposed includes collection of wholesale prices for selected business services and additional types of fabricated durable goods and goods in process of manufacture. It also includes collection of retail prices for additional types and qualities of consumer goods and services, making the present program more representative of all retail prices in addition to those now measured for certain income groups in the Consumer Price Index.

Production and distribution statistics.—Statistics on production and distribution, the largest area included in this summary, include data on agricultural and industrial production and distribution. Included here are the current programs of the Bureau of the Census on retail, wholesale and service trades; manufacturing; agriculture; and foreign trade and shipping. Also included are the Agricultural Marketing Service programs on crop and livestock estimates, and the Agricultural Research Service program on the economics of farm production.

Increases totaling about $375,000 are recommended in 1959 for Census Bureau programs in this area as part of the integrated program to improve basic current statistics on the operation of the economy and to contribute to strengthening our national economic accounts. These increases are (1) about $100,000 for preparation of monthly estimates of retail and wholesale inventories for a limited number of selected commodities; (2) about $100,000 for collection of monthly data on receipts of selected service trades, needed for the national income and product accounts and for the flow-of-funds accounts; (3) about $100,000 for collection of monthly information on accounts receivable from retail trade establishments, to improve present estimates of consumer credit outstanding; and (4) about $75,000 to revise and enlarge the reporting sample for the Monthly Industry Survey, in order to provide more adequate current data on manufacturers' sales, inventories, and new orders.

The 1959 estimate also includes $300,000 for the Census Bureau to obtain industrial data for use in bomb-damage assessment, as part of the governmentwide defense readiness program. Increased costs in the Bureau of the Census for the program recommended in 1959 are offset in part by savings resulting from the use of more efficient tabulating equipment.

Construction and housing statistics.—This area includes the estimates of construction activity prepared jointly by the Business and Defense Services Administration (private nonresidential construction) and the Bureau of Labor Statistics (private residential and public construction). It also includes the housing starts series compiled by the Bureau of Labor Statistics and current data on housing vacancies compiled by the Bureau of the Census.

The need for expansion and improvement of the estimates of construction activity has been emphasized repeatedly in recent years. The 1959 budget recommends, as part of the basic statistical improvement program, an increase of $500,000 to the Bureau of the Census for a survey program in this area. The program is designed to provide for the collection of data needed to correct some of the greatest deficiencies in present estimates of (1) the amount of new construction of certain types, such as farm, private nonresidential, State and local construction; and (2) expenditures on repair and alteration for different types of existing properties.

National income and business financial accounts.—The statistical programs included here are concerned primarily with analysis of the national economy. The area includes all the work of the Office of Business Economics—preparing estimates of national income and product, measuring and analyzing business trends, and computing the balance of international payments. It also includes the work of the Internal Revenue Service in tabulating statistics from personal and corporate income tax returns; estimates of farm income by the Agricultural Marketing Service; statistics on the financial and other operations of State and local governments compiled by the Bureau of the Census; the quarterly financial report program, presenting income and balance sheet data for manufacturing corporations, conducted jointly by the Federal Trade Commission and the Securities and Exchange Commission; and other economic statistical series compiled by the Securities and Exchange Commission.

A number of increases are recommended in this area for 1959 as part of the integrated program for improving basic economic data.

In the Office of Business Economics, about $200,000 is recommended for four projects designed specifically to improve the national income and product accounts: (1) to establish a separate research staff to conduct a continuing investigation of means of improving the national income and product estimates and concepts, and to explore the interrelationships among the several types of national economic accounts; (2) to prepare quarterly estimates of gross national product and its major components in constant prices, so that the real movement of key components of this overall indicator of economic activity may be made available as promptly as possible; (3) to begin work on preparation of net output measures for as many major industry groups as possible and for selected manufacturing

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SPECIAL ANALYSIS I—Continued

PRINCIPAL FEDERAL STATISTICAL PROGRAMS—Continued

industries; and (4) to begin an accounting of interindustry flows for calendar year 1958 for major industries shown in the national income and product accounts.

Also in the Office of Business Economics, $50,000 is recommended, for the first year of a 2-year program, to provide for a comprehensive survey of United States direct private investments abroad, showing the particular countries and industries which have attracted American capital, and the amounts involved. This information is needed for the balance of payments accounts and for better appraisal of our contribution to and our position in the world economy. Another increase of about $30,000 is recommended for work of the Office of Business Economics on the current analysis of business trends, primarily for resuming publication of quarterly statistics on business births and deaths.

In the Bureau of the Census, an increase of about $100,000 is recommended for quarterly surveys of State and local government finances, including revenues, capital outlays and current expenditures, indebtedness, and financial assets.

An increase of $300,000 is recommended in the 1959 budget for the Small Business Administration to provide for the collection of current information on the financial position of both small and large corporations in trade and mining industries.

The total of the increases recommended in this area is offset in part by a reduction of about $166,000 in the amount available in 1959 to the Internal Revenue Service for statistical programs. The effects of this reduction will be to decrease the industry detail in the tax return tabulations for corporations and to postpone studies of the treatment of depreciation in corporate tax returns.

PERIODIC CENSUS PROGRAMS

The periodic census programs conducted by the Bureau of the Census supply the base for many of the Government's statistical series and are an indispensable part of the Government's statistical system. In this analysis, they are considered separately from the current programs described above because the wide annual fluctuations in their costs prevent meaningful comparisons from year to year of total outlays for statistical programs.

The economic censuses—those of business, manufactures, and mineral industries—are taken at 5-year intervals, and will next be taken in fiscal year 1959 covering operations in calendar year 1958. The amount of $7.3 million recommended for these censuses in 1959 provides for most of the collection costs, including printing and mailing of the census schedules. Information on the number, size, geographic distribution, volume of operations, and other characteristics of the Nation's business and industrial enterprises is an essential element in the integrated program for the Government's economic statistics.

For the eighteenth decennial census, including the censuses of population, housing and agriculture, preparatory work was initiated in 1958 and will be accelerated in 1959. The $7 million recommended for these censuses in 1959 provides for final determination of questions to be asked and procedures to be employed, preparation of enumerator maps, and field testing of procedures and schedules. It also includes about $2.1 million for completion of the purchase of the major components of electronic equipment needed for the rapid and economical processing of census results.

For the 1957 census of governments, an appropriation of $1,750,000 was made in 1957. About $1,650,000 of this amount was obligated in 1957 and 1958, leaving about $100,000 for 1959. An additional appropriation of nearly $400,000 is recommended for 1959 to complete those phases of the census not fully provided for in the initial appropriation and to provide for final tabulation and publication of the results.

Direct obligations for principal statistical programs, by agency

[In millions]

Agency	1957 actual	1958 estimate	1959 estimate
CURRENT PROGRAMS			
Department of Agriculture:			
Agricultural Marketing Service:			
Economic and statistical analysis	$1.4	$1.5	$1.5
Crop and livestock estimates	5.1	5.6	5.6
Agricultural Research Service:			
Farm economics research	2.4	2.8	2.8
Department of Commerce:			
Bureau of the Census	7.4	7.9	8.9
Business and Defense Services Administration: Construction statistics	.1	.1	.1
Office of Business Economics	1.0	1.0	1.3
Department of Health, Education, and Welfare:			
Office of Education:			
Research and statistical services	.5	.6	.6
Public Health Service:			
National Office of Vital Statistics	1.4	1.5	1.5
Public health methods and reports	1.2	1.8	1.9
Department of Labor:			
Bureau of Labor Statistics	7.1	7.2	7.6
Treasury Department:			
Internal Revenue Service:			
Statistical reporting	1.8	2.5	2.3
Federal Trade Commission:			
Financial reports	.3	.2	.2
Securities and Exchange Commission:			
Operational and business statistics	.2	.2	.2
Small Business Administration:			
Small business statistics			.3
Total, current programs	29.8	32.9	34.9
PERIODIC CENSUS PROGRAMS			
Department of Commerce:			
Bureau of the Census:			
1958 censuses of business, manufactures, and mineral industries	.1	1.0	7.3
18th decennial census		3.2	7.0
1957 census of governments	.8	.8	.5
National housing inventory	1.0		
1954 censuses of business, manufactures, and mineral industries	1.5	.2	
1954 census of agriculture	.8		
Total, periodic census programs	4.2	5.3	14.8
Total, principal statistical programs	34.0	38.2	49.7

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Special Analysis J

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

BY AGENCY AND ACCOUNT TITLE

Description	1957 actual	1958 estimate	1959 estimate
PUBLIC ENTERPRISE FUNDS			
Investments in Government securities:			
Independent offices:			
Farm Credit Administration: Operating fund, Federal intermediate credit banks	[a] $99,285,700		
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund	18,500,000	$21,160,000	$23,700,000
Veterans Administration: Veterans' special-term insurance fund	13,848,000	14,518,000	13,400,000
Housing and Home Finance Agency:			
Office of the Administrator: Revolving fund (liquidating programs)	16,650	10,000	10,000
Federal National Mortgage Association: Management and liquidating functions fund (debentures issued by Federal Housing Administration)	25,186,200	30,000,000	10,000,000
Federal Housing Administration fund	78,220,500	61,643,150	64,850,000
Total investments in Goverment securities	36,485,650	127,331,150	111,960,000
Issuance (−) and redemption (+) of debt to the public:			
Independent offices:			
Farm Credit Administration:			
Federal Farm Mortgage Corporation fund	+29,300	+30,000	+30,000
Operating fund, Federal intermediate credit banks	+136,360,000		
Federal Home Loan Bank Board: Home Owners' Loan Corporation fund	+55,150	+60,000	+60,000
Tennessee Valley Authority fund: Proposed legislation			−59,000,000
Housing and Home Finance Agency: Federal Housing Administration fund [1]	−33,333,250	−9,094,650	+9,096,700
Total issuance (−) and redemptions (+) of debt to the public	+103,111,200	−9,004,650	−49,813,300
Net decrease (+) in cash balances due to debt and investment transactions of public enterprise funds	+139,596,850	+118,326,500	+62,146,700
TRUST FUNDS			
Investments in Government securities:			
Legislative branch: Library of Congress trust fund principal accounts	$90,000	[a] $30,000	
The judiciary: Judicial survivors annuity fund	760,000	290,000	$250,000
Independent offices:			
Civil Service Commission:			
Civil-service retirement and disability fund	800,372,000	768,066,471	719,000,000
Employees' life insurance fund (revolving fund)	5,172,644	31,690,483	39,000,000
Farm Credit Administration: Operating fund, Federal intermediate credit banks	99,330,700	150,000	125,000
Railroad Retirement Board: Railroad retirement account	35,553,000	124,942,000	193,500,000
Veterans Administration:			
Adjusted-service certificate fund	[a] 4,580,000		
General post fund	[a] 207,500	[a] 1,317,500	[a] 300,000
National service life insurance fund	89,242,000	75,000,000	79,000,000
United States Government life insurance fund	[a] 16,406,000	[a] 23,300,000	[a] 54,000,000
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)	6,250		
Department of Agriculture: Farmers' Home Administration: State rural rehabilitation funds	217,000		
Department of Commerce: Bureau of Public Roads: Highway trust fund	404,444,000	230,000,000	[a] 275,000,000
Department of Defense—Military functions: Department of the Army trust funds	21,500		
Department of Health, Education, and Welfare: Public Health Service trust funds	[a] 5,000		
Department of the Interior: National Park Service trust funds	1,025		
Department of Labor: Bureau of Employees Compensation trust funds	2,500	6,500	[a] 30,000
Department of State: Foreign Service retirement and disability fund	2,935,600	1,954,000	2,074,000
Treasury Department:			
Office of the Secretary:			
Federal disability insurance trust fund	325,363,000	724,637,000	715,000,000
Federal old-age and survivors' insurance trust fund	220,287,146	[a] 711,353,250	[a] 751,311,537
Unemployment trust fund	274,186,779	335,032,947	240,000,000
Bureau of Accounts trust funds	[a] 770,000	[a] 323,003	[a] 89,091
District of Columbia:			
Miscellaneous trust fund deposits	[a] 218,400	6,525	10,000
Redevelopment program, Redevelopment Land Agency	15,324,000	[a] 10,324,000	[a] 1,000,000
Teachers' retirement and annuity fund	1,653,500	1,109,500	500,000
Investment accounts	8,778,500		
Total investments in Government securities	2,261,554,244	1,546,237,673	906,728,372

[a] Deduct, excess of sales and redemptions over investments.

[1] Includes net issuances of debentures to Federal National Mortgage Association of $25,186,200 in 1957; estimated $30,000,000 in 1958; and estimated $10,000,000 in 1959.

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Special Analysis J—Continued

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS—Continued

BY AGENCY AND ACCOUNT TITLE—Continued

Description	1957 actual	1958 estimate	1959 estimate
TRUST FUNDS—Continued			
Issuance (−) and redemption (+) of debt to the public:			
Independent offices: Farm Credit Administration: Operating fund, Federal intermediate credit banks	−$237,860,000	−$90,650,000	+$181,970,000
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)	−950,110,000	−579,890,000	−335,000,000
Net decrease (+) in cash balances due to trust fund debt and investment transactions	+1,073,584,244	+875,697,673	+753,698,372
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND			
Legislative branch: Government Printing Office: Government Printing Office revolving fund: Payment of earnings to Treasury	$4,603,791	$3,101,024	$3,200,000
Independent offices:			
Civil Service Commission: Investigations: Payment of earnings to Treasury	7,071	9,588	----------
Export-Import Bank of Washington:			
Export-Import Bank of Washington fund: Payment of dividend to Treasury	22,500,000	22,500,000	22,500,000
Liquidation of certain Reconstruction Finance Corporation assets:			
Payment of profits to Treasury	2,619	9,710	733
Repayment of investment to Treasury	142,686	1,278,335	6,232
Farm Credit Administration:			
Federal Farm Mortgage Corporation fund:			
Payment of dividend to Treasury	2,000,000	2,500,000	2,200,000
Repayment of capital stock to Treasury	----------	10,000	----------
Production credit associations investment fund: Repayment of investment to Treasury	2,595,000	----------	----------
Federal Civil Defense Administration: Civil defense procurement fund: Repayment of principal to Treasury	----------	3,500,000	----------
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund:			
Payment of return on capital stock to Treasury	1,319,650	1,093,452	669,600
Repayment of capital stock to Treasury	13,876,000	16,170,000	18,783,000
Small Business Administration:			
Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury	----------	----------	4,100,000
Revolving fund, small defense plants activities: Repayment of investment to Treasury	1,260,737	107,620	----------
Tennessee Valley Authority: Repayment of investment to Treasury:			
Payment on power investment	30,000,000	10,000,000	----------
Payment of nonpower proceeds	3,008,731	2,335,821	2,063,000
Veterans Administration:			
Canteen service revolving fund:			
Payment of profits to Treasury	----------	359,129	799,134
Repayment of investment to Treasury	613,788	385,386	----------
Rental, maintenance, and repair of quarters: Payment of profits to Treasury	10	100	100
Vocational rehabilitation revolving fund: Repayment of investment to Treasury	300,000	----------	----------
Supply fund:			
Payment of earnings to Treasury	235,065	----------	----------
Repayment of principal to Treasury	4,000,000	1,000,000	----------
General Services Administration:			
Real property activities:			
Cost of maintenance, repair, etc., of improvements, public buildings: Payment of profits to Treasury	564,589	543,394	560,000
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings: Payment of profits to Treasury	39,100	35,261	35,000
Buildings management fund: Payment of earnings to Treasury	----------	232,419	----------
Personal property activities: General supply fund: Payment of earnings to Treasury	1,515,010	1,080,301	1,200,000
General activities:			
Federal Facilities Corporation fund: Repayment of investment to Treasury	25,000,000	----------	----------
Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury	----------	350,000	50,000
Working capital fund: Payment of earnings to Treasury	5	2,253	500
Housing and Home Finance Agency:			
Office of the Administrator:			
Revolving fund (liquidating programs): Repayment of investment to Treasury	35,000,000	32,000,000	25,000,000
Community disposal operations fund: Repayment of investment to Treasury	6,000,000	14,000,000	15,000,000
Federal National Mortgage Association: Special assistance functions fund: Payment of dividend to Treasury	188,822	2,444,739	5,125,000
Public Housing Administration: Low-rent public housing program fund: Payment of profits to Treasury	1,436,523	921,000	1,086,000
Department of Commerce:			
General administration:			
Defense production guaranties: Payment of profits to Treasury	----------	5,883	----------
Working capital fund: Payment of earnings to Treasury	37,343	57,625	11,400
National Bureau of Standards: Working capital fund: Payment of earnings to Treasury	137,224	123,816	----------

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SPECIAL ANALYSIS J—Continued

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS—Continued

BY AGENCY AND ACCOUNT TITLE—Continued

Description	1957 actual	1958 estimate	1959 estimate
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND—Continued			
Department of Defense—Military Functions:			
Department of the Army: Defense housing: Payment of profits to Treasury			$550,000
Department of the Navy: Defense housing:			
Payment of profits to Treasury			75,000
Repayment of investment to Treasury			375,000
Department of Health, Education, and Welfare:			
Social Security Administration: Operating fund, Bureau of Federal Credit Unions: Repayment of investment to Treasury	$25,000	$75,000	50,000
Office of the Secretary: Working capital fund: Repayment of principal to Treasury	20,000		
Department of the Interior:			
Bureau of Reclamation: Continuing fund for emergency expenses, Fort Peck project, Montana: Payment of profits to Treasury	856,303	1,336,807	1,300,000
Bureau of Mines: Development and operation of helium properties: Payment of profits to Treasury		500,000	
Office of Territories: Loans to private trading enterprises, Trust Territory of the Pacific Islands: Payment of profits to Treasury			39,529
Department of Justice: Federal Prison Industries, Inc.: Payment of dividend to Treasury	1,500,000	2,400,000	2,200,000
Treasury Department: Office of the Secretary: Reconstruction Finance Corporation liquidation fund:			
Payment of profits to Treasury	979,257		
Repayment of capital stock	65,000,000		
Repayment of investment to Treasury		11,077,936	15,274,000
Total, capital transfers from revolving funds to the general fund	224,764,324	131,546,599	122,253,228

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Special Analysis K

COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1950 THROUGH 1959

Based on existing and proposed legislation

[In millions]

Description	Actual								Estimate	
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
BUDGET RECEIPTS										
Individual income taxes	$15,745	$21,643	$27,913	$30,108	$29,542	$28,747	$32,188	$35,620	$37,200	$38,500
Corporation income and excess profits tax	10,448	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,385	20,400
Excise taxes	7,549	8,648	8,851	9,868	9,945	9,131	9,929	9,055	8,898	9,280
Employment taxes [1]	225	234	256	274	283	579	322	328	339	347
Estate and gift taxes	698	708	818	881	934	924	1,161	1,365	1,486	1,570
Customs	407	609	533	596	542	585	682	735	765	780
Miscellaneous receipts [2]	1,422	1,620	1,794	1,859	2,309	2,562	3,004	2,760	3,327	3,523
Total, budget receipts	36,495	47,568	61,391	64,825	64,655	60,390	68,165	71,029	72,400	74,400
BUDGET EXPENDITURES										
Major national security:										
051 Direction and coordination of defense	10	12	13	15	12	13	14	14	21	215
052 Air Force defense	[3] 3,600	[3] 6,349	[3] 12,709	15,085	15,668	16,407	16,749	18,363	18,441	18,736
053 Army defense	[3] 3,987	[3] 7,469	[3] 15,635	16,242	12,910	8,899	8,702	9,063	9,043	8,880
054 Naval defense	4,103	5,582	10,162	11,875	11,293	9,733	9,744	10,398	10,640	10,913
055 Other central defense activities	192	353	379	394	452	481	582	602	716	830
056 Development and control of atomic energy	550	897	1,670	1,791	1,895	1,857	1,651	1,990	2,300	2,550
057 Stockpiling and defense production expansion	438	793	966	1,008	1,045	944	588	490	565	422
058 Mutual defense assistance:										
Military assistance	130	991	2,442	3,954	3,629	2,292	2,611	2,352	2,200	2,200
Defense support			1,987	1,467	967	1,463	1,184	1,143	945	885
Proposed civilian personnel pay adjustment (proposed supplemental)										205
Total, major national security	13,009	22,444	45,963	51,830	47,872	42,089	41,825	44,414	44,871	45,836
International affairs and finance:										
151 Conduct of foreign affairs	198	190	142	150	130	121	120	157	193	201
152 Economic and technical development	4,442	3,506	598	493	543	498	431	542	1,133	973
153 Foreign information and exchange activities	35	40	99	106	91	100	111	133	141	139
Total, international affairs and finance	4,674	3,736	839	749	765	719	662	832	1,468	1,312
Veterans' services and benefits:										
101 Veterans' education and training	2,596	1,943	1,326	659	546	664	767	774	729	626
102 Other veterans' readjustment benefits	278	163	122	138	158	150	123	126	136	111
103 Veterans' compensation and pensions	2,223	2,171	2,178	2,420	2,482	2,681	2,798	2,870	3,107	3,232
104 Veterans' insurance and servicemen's indemnities	480	50	216	102	100	57	105	47	44	40
105 Veterans' hospitals and medical care	764	745	784	757	782	727	788	801	846	840
106 Other veterans' services and administration	306	270	238	223	188	178	176	175	171	162
Total, veterans' services and benefits	6,646	5,342	4,863	4,298	4,256	4,457	4,756	4,793	5,034	5,012
Labor and welfare:										
211 Labor and manpower	271	254	275	281	277	328	475	400	411	420
212 Public assistance	1,125	1,187	1,180	1,332	1,439	1,428	1,457	1,558	1,822	1,809
213 Promotion of public health	244	306	330	318	290	275	351	469	581	633
214 Promotion of education	73	91	175	290	273	324	279	290	353	460
215 Promotion of science, research, libraries, and museums	77	58	39	34	33	53	56	71	80	119
216 Correctional and penal institutions	22	26	21	27	26	28	31	32	34	36
217 Other welfare services and administration	151	142	148	144	147	115	126	147	162	167
Total, labor and welfare	1,963	2,065	2,168	2,426	2,485	2,552	2,776	2,966	3,443	3,643
Agriculture and agricultural resources:										
351 Stabilization of farm prices and farm income	1,844	−461	46	2,125	1,689	3,508	3,946	3,511	3,628	3,253
352 Financing farm ownership and operation	146	339	272	109	256	236	231	227	256	202
353 Financing rural electrification and rural telephones	293	276	243	239	217	204	217	267	339	376
354 Conservation and development of agricultural land and water resources	337	346	341	317	244	286	305	351	442	491
355 Research, and other agricultural services	163	150	143	145	150	177	215	227	259	279
Total, agriculture and agricultural resources	2,783	650	1,045	2,936	2,557	4,411	4,913	4,582	4,924	4,601

[1] Includes Railroad Unemployment Insurance Act receipts in 1950 through 1952.

[2] Includes taxes not otherwise classified.

[3] Expenditures for Army defense include some expenditures for support of the Air Force financed from 1949 and prior year appropriations.

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Special Analysis K—Continued

COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1950 THROUGH 1959—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	Actual								Estimate	
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
BUDGET EXPENDITURES—Continued										
Natural resources:										
401 Conservation and development of land and water resources	$1,025	$1,068	$1,140	$1,234	$1,056	$935	$803	$925	$1,036	$1,089
402 Conservation and development of forest resources	78	81	95	107	117	118	138	162	171	169
403 Conservation and development of mineral resources	34	36	35	38	37	37	38	62	63	56
404 Conservation and development of fish and wildlife	23	26	30	34	38	43	45	51	65	58
405 Recreational use of natural resources	24	30	33	30	33	35	44	59	78	73
409 General resource surveys and administration	22	26	32	34	35	34	35	38	43	47
Total, natural resources	1,206	1,267	1,366	1,476	1,315	1,202	1,104	1,296	1,457	1,492
Commerce and housing:										
511 Promotion of water transportation	258	281	420	455	370	349	420	365	397	407
512 Provision of highways	498	455	470	572	586	647	783	40	38	7
513 Promotion of aviation	213	222	237	239	275	253	251	295	413	572
514 Postal service	593	626	740	659	312	356	463	518	686	−16
515 Community development and facilities	−2	8	15	45	37	56	4	49	89	96
516 Public housing programs	−37	124	148	29	−401	−115	31	60	71	79
517 Other aids to housing	307	469	511	413	−142	270	19	−60	191	251
518 Other aids to business	100	−45	−169	−111	−330	−404	−83	59	118	91
519 Regulation of commerce and finance	63	76	190	137	45	38	41	45	49	52
520 Civil defense	----------	----------	33	51	60	42	56	63	67	63
521 Disaster insurance, loans, and relief	----------	----------	28	12	1	12	43	21	26	25
Total, commerce and housing	1,991	2,217	2,623	2,502	814	1,502	2,028	1,453	2,146	1,627
General government:										
601 Legislative functions	46	50	50	49	49	60	77	90	101	112
602 Judicial functions	27	30	30	29	29	31	38	40	44	46
603 Executive direction and management	10	17	14	11	11	12	12	12	14	14
604 Federal financial management	390	413	438	442	449	431	475	476	508	507
605 General property and records management	137	181	232	185	155	164	164	194	255	275
606 Central personnel management and employment costs	347	351	368	387	93	115	334	627	124	108
607 Civilian weather services	24	24	26	28	26	25	34	38	39	41
608 Protective services and alien control	109	126	176	147	160	157	188	187	193	197
609 Territories and possessions, and the District of Columbia	22	22	50	55	53	67	69	74	82	95
610 Other general government	74	112	79	140	213	139	238	51	17	8
Total, general government	1,186	1,327	1,464	1,474	1,239	1,201	1,629	1,789	1,377	1,403
Interest:										
651 Interest on the public debt	5,720	5,615	5,853	6,504	6,382	6,370	6,787	7,244	7,800	7,800
652 Interest on refunds of receipts	93	93	76	75	83	62	54	57	61	62
653 Interest on uninvested funds	4	6	5	5	5	5	6	6	6	7
Total, interest	5,817	5,714	5,934	6,583	6,470	6,438	6,846	7,308	7,867	7,869
Allowance for proposed legislation and contingencies	----------	----------	----------	----------	----------	----------	----------	----------	200	1,139
Adjustment to daily Treasury statement basis	+341	−705	−857	----------	----------	----------	----------	----------	----------	----------
Total, budget expenditures	39,617	44,058	65,408	74,274	67,772	64,570	66,540	69,433	72,788	73,934
Budget surplus (+) or deficit (−)	−3,122	+3,510	−4,017	−9,449	−3,117	−4,180	+1,626	+1,596	−388	+466
MEMORANDUM										
Capital transfers from revolving funds to the general fund	$276	$208	$268	$265	$364	$695	$391	$225	$132	$122
Investments of revolving funds in U. S. securities	----------	104	101	79	−77	126	101	36	127	112

NOTE.—Category 058 above contains two subentries. The "Military assistance" portion of this category is comparable to the subfunction of this title in the 1958 budget. The "Defense support" portion represents a reclassification of certain appropriations, previously included under "Other mutual security programs" in category 152.

Category 215 has been retitled "Promotion of science, research, libraries, and museums" in recognition of increased amounts included for scientific activities.

Educational activities of the National Science Foundation, previously included in category 215, have been reclassified to category 214.

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INDEX

A

Page

Abaca fiber program 246–247
Accounting Office, General 155–157, 841
Accounts, Bureau of 792–796, 873
Acquisition:
  Construction, and improvements, Coast Guard 810–811
  Land, District of Columbia 231
  Land, national forests 366
  Of buildings abroad, State 764–765
  Plant, Atomic Energy Commission 121–122, 124
  Property, additional House office building 33–34
  Radio facilities, U. S. Information Agency 193
  Rehabilitation, and rental of Wherry Act housing 448–449
  Strategic minerals 638–639
  Tin 245
Acreage allotments and marketing quotas 332, 337
Acreage reserve program 331
Adjusted-service certificate fund, Veterans Administration 845
Administrative Office, United States courts 56
Administrative operations fund, General Services Administration 252–253
Administrator's Office, General Services Administration 248–249
Administrator's Office, Housing and Home Finance Agency 265–276
Advanced Research Projects Agency 443–444
Advisory Commission on Presidential Office Space, President's 171
Advisory Committee:
  On Government Organization, President's 67
  On Weather Control 115
  Radio, Interdepartmental 66
Aeronautics, National Advisory Committee for 161–164
Aeronautics Administration, Civil 391–397, 855
Aeronautics Board, Civil 397–399
Agency, *see* individual agencies.
Agriculture:
  And agricultural resources M46–M50, 892, 925, 934–935
  Census of 390
  Colleges of 577, 580
  Department of 295–373, 851–854
Agricultural Adjustment Act of 1938 336–337
Agricultural commodities:
  Perishable 325
  Special disposal programs 333, 337–338
  Surplus removal 326–327
Agricultural Conservation Program Service 320–321
Agricultural experiment stations 309
Agricultural marketing revolving fund, Farm Credit Administration 136
Agricultural Marketing Service 322–327, 852
Agricultural materials, strategic and critical, research 311
Agricultural Products, Commission on Increased Industrial Use 129
Agricultural Research Center 311–312
Agricultural Research Service 307–313, 851
Agricultural Service, Foreign 328–329
Agricultural Trade Development and Assistance Act, foreign currency information schedule 94, 193, 245, 328–329, 776
Aid:
  Defense 76
  Educational, for China and Korea 776
  To State and local governments, Federal 930–936
Air carriers, payments to 398–399
Air conditioning, United States courts 56
Aircraft:
  Air Force 498–500, 511–512
  Navy and Marine Corps 473–475
  Statement of:
    Agriculture 373
    Commerce 429
    Defense—Civil Functions 559
    Defense—Military Functions 516
    Health, Education, and Welfare 622
    Independent offices 220
    Interior 706
    Justice 724
    Treasury 816
Air Force, Department of the—Civil Functions 557–558
Air Force, Department of the—Military Functions 498–512, 858

Page

Air National Guard 505–506, 512
Air navigation development 396
Air-navigation facilities 392–393
Airport, Washington, additional 396
Airport, Washington National 393–395
Airports, Alaska public 395–396
Airports, grants-in-aid 393, 397
Airways Modernization Board 115–116
Alaska:
  Airports, public 395–396
  Grants and special studies, Public Health Service 584
  Mental health facilities construction 585
Alaska Communication System 457–458
Alaska insane, care and custody 694–695
Alaska International Rail and Highway Commission 116
Alaska public works 694
Alaska Railroad 695–697
Alexander Hamilton Bicentennial Commission 157, 841
Alien Property, Office of 722–723, 866–868
Allergy and infectious diseases 597–598
Allowances, representation, State 764
American Battle Monuments Commission 116–117, 839
American Printing House for the Blind 571
Analysis of budget by function and agency 889–896
Analysis of major programs and budgetary issues M12–M56
Analyses, special (part IV) 877–955
Animal disease laboratory facilities 310–311
Animal diseases 310–311, 313
Animal quarters, construction, National Institutes of Health 601
Annuities, Panama Canal construction employees and Lighthouse Service widows 126–127
Annuity benefits, White House Police and Secret Service force 804
Annuity fund, judicial survivors 838
Anthracite mines drainage 675
Antitrust Division 712–713
Appeals courts 54–58
Apprenticeship, Bureau of 734–735
Appropriation language, explanation 11
Appropriations, definition 3
Appropriations, statement of, Senate and House Appropriations Committees 31
Arbitration boards 167–168
Architect of the Capitol 31–37
Archives and Records Service, National 241–242, 848–850
Area Development Office 402–403
Army, Department of the—Civil Functions 527–557, 858–860
Army, Department of the—Military Functions 450–468, 857
Army National Guard 453–455, 467
Art, National Gallery of 183
Arthritis and metabolic diseases 596–597
Arts, Fine, Commission of 639
Arts, mechanic, colleges of 577, 580
Assistance:
  Economic, technical, and other, mutual security 85–88, 92, 838–839
  Military, fund reservations for Defense Department 518–519
  Military, mutual security program 81–84, 91, 92
  Public, Bureau of, and grants to States 611–612, 616
  School construction 578, 581
  Special, Federal National Mortgage Association 278–279, 281
  To States:
    Civil defense 144
    For tree planting 367
    Public Health Service 583–584
Atomic Energy Commission 117–124
Attorneys, special temporary, Justice 714
Attorneys, United States 713
Auditorium Commission, District of Columbia 130–131
Authorizations:
  Budget:
    Discussion M8–M9
    Explanation 2–3
    Summary tables 6, 13–15, 889–896
  To expend from debt receipts, definition 3
  Trust, explanation 826

440000—58——62

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Federal Reserve Bank of St. Louis

Page

Automobiles for disabled veterans 207
Aviation war risk insurance 385

B

Balances:
Available at start of year 16–17
Cash, effect of operations on 7
Summary 13
Unexpended, analysis of:
Agriculture 302–305
Commerce 381–383
Defense—Civil Functions 524–525
Defense—Military Functions 438–441
District of Columbia 820
Executive Office of the President 61
Funds appropriated to the President 73–74
General Services Administration 224–225
Health, Education, and Welfare 566–569
Housing and Home Finance Agency 262–263
Independent offices 106–113
Interior 630–634
Justice 709
Labor 728–729
Legislative branch 23–24
Post Office 748
State 760–761
The judiciary 49
Treasury 785–786
Battle Monuments Commission, American 116–117, 839
Benefits:
And services, veterans' M45–M46, 891, 925, 928, 934
Civil M27–M52
Readjustment, Veterans Administration 202–204, 216
Biologics standards laboratory building, National Institutes of Health 600
Bird conservation, migratory 685, 687
Blind:
American Printing House for the 571
Blindness activities, Public Health Service 598
Books for, Library of Congress 42
Education of 571
Board, *see* individual boards.
Bonneville Power Administration 639–641, 861–862
Booker T. Washington Centennial Commission 157
Books for Supreme Court, Library of Congress 42
Books for the blind, Library of Congress 42
Boston National Historic Sites Commission 157–158
Botanic Garden 37
Boulder Canyon project 665
Bridge, Panama Canal 551
Brush disposal 368
Budget:
Arrangement of M2
Bureau of the 64–65
Résumé of, summary table M4
Budget analysis, by function and agency 889–896
Budget and trust transactions for fiscal year 1959, summary 8
Budget classifications, explanation 2–3
Budget Message of the President M5–M56
Budget schedules and statements, explanation 11–12
Budget terms, definitions 2–3, 826
Budgetary issues, analyses of M12–M56
Buildings:
Acquisition of, abroad, State 764–765
And facilities, Cincinnati, Ohio, Public Health Service 600–601
And facilities, Federal Prison System 718–719
And grounds:
Capitol 31–37
Executive Mansion 63–64
Library, Architect of the Capitol 36–37
Proceeds of sales, Foreign Service Building Fund 765
Saint Elizabeths Hospital 609
Supreme Court 51
Bureau of Old-Age and Survivors Insurance 610
Construction, *see* Construction, buildings.
Federally owned, repair and improvement 228
General office, National Institutes of Health 602
House Office 33–34
Lafayette Building, Washington, D. C. 233
Natural History Building additions 182
Public:
Construction services 235–236
Maintenance, repair, etc., of improvements 232–233
Purchase contracts 228–229

Buildings—Continued Page
Public Buildings Service 227, 236–237
Senate Office 32–33, 34–35
State Department, extension and remodeling 766
Buildings management fund, General Services Administration 234–235
Bureau, *see* individual bureaus.
Business Administration, Small 176–181
Business and Defense Services Administration 401–402, 855
Business census 388–389, 390
Business Economics, Office of 404

C

Cache National Forest 366
Canal Zone Biological Area 844
Canal Zone Government 548–551, 556
Cancer Institute, National 593–594
Canteen Service, Veterans 208–209
Capital outlay:
Canal Zone Government 550–551
Loans to District of Columbia for 823–824
United States Soldiers' Home 545
Capital Planning Commission, National 164–166, 842–843
Capitol, Architect of the 31–37
Capitol Buildings 31–37
Capitol extension 35
Capitol Police 30
Capitol power plant 34, 35
Cash balances, effect of operations on 7
Cash-consolidated statement, explanation 3
Catalog cards, Library of Congress 40–41
Cemeterial expenses, Army 527
Cemeteries, construction 117
Census Bureau 387–391, 855
Central Intelligence Agency 124
Certification services, Food and Drug Administration 571–572
Check forgery insurance fund 798
Child welfare 614
Children and Youth, White House Conference on 613
Children's Bureau 613
Civil Aeronautics Administration 391–397, 855
Civil Aeronautics Board 397–399
Civil benefits M27–M52
Civil defense, Federal contributions to States 143
Civil Defense Administration, Federal 140–144
Civil defense assistance to States 144
Civil defense functions of Federal agencies 143
Civil defense loans 791
Civil defense procurement fund 143–144
Civil engineering, Navy 480–481
Civil Functions, Department of Defense 521–559, 858–860
Civil public works, Federal activities 918–928
Civil Rights Commission 129
Civil Service Commission 125–128, 839–840
Civil service retirement and disability fund 127, 839
Civilian personnel pay adjustments, Defense—Military Functions 512
Claims:
And treaty obligations, Indian Affairs 656
Certified, payment of 794
Court of 53
Court of, building for 229–230
Defense Department 444
Former German prisoners of war 870
Judgments, and private relief acts, Treasury 794, 795
Persons of Japanese ancestry 714
Special claims commission, United States and Mexico 870
United States Soldiers' Home, payment of 859
Vatican City 778
War 841
Claims Commission, Indian 159–160
Claims Settlement Act, International, title II fund 868
Claims Settlement Commission, Foreign 155, 841
Classifications, budget, explanation 3
Cleveland Pan-American Games 777–778
Coal Mine Safety Board of Review, Federal 144–145
Coast and Geodetic Survey 399–401
Coast Guard 807–815, 874–875
College housing 266, 267–268, 276
Colleges of agriculture and mechanic arts 577, 580
Colorado River Basin, Upper 668–669
Colorado River dam and development funds 665
Commerce, Department of 375–429, 855–857
Commerce and housing M37–M45, 893–894, 926–928, 934–936

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Federal Reserve Bank of St. Louis

Page

Commercial Fisheries, Bureau of 688–691, 865
Commissaries, narcotic hospitals 602–603
Commissary funds, Federal prisons 865–866
Commission, *see* individual commissions.
Commissioned officers, retired pay, Public Health Service 599
Commissioner's Office, Fish and Wildlife 691–692
Commissioner's Office, Social Security Administration 614
Commissioners, United States courts 55, 58
Committee, *see* individual committees.
Commodity Credit Corporation 310, 313, 325, 327, 332, 336–348
Commodity disposal programs, special 333, 337–338
Commodity Exchange Authority 329–330
Commodity Stabilization Service 332–338, 852–853
Communicable disease activities 586–587
Communication System, Alaska 457–458
Communications Commission, Federal 145–146
Community disposal operations 275–276
Commuted ration mess fund, Coast Guard 874–875
Compensation:
  And pensions, Veterans Administration 200–202, 216
  Employees', Bureau of 740–741, 868–869
  Of the President 63
  Unemployment 737–738, 740
Conciliation and Mediation Service, Federal 152
Conferences and organizations, international 767–770
Congress, Library of 37–43, 837
Conservation:
  And development of mineral resources 672–673
  Emergency measures, Agriculture 321
  Great Plains program 318–319
  Water projects 318
  Wildlife, Eglin Field Reservation 557–558
Conservation Act, Migratory Bird 685, 687
Conservation Program Service, Agricultural 320–321
Conservation reserve program, Agriculture 330–331
Conservation Service, Soil 315–319, 852
Construction:
  Airport, Washington, additional 396
  Airport, Washington National 395
  Alaska Communication System 458
  Atomic Energy Commission 121–122, 124
  Bonneville Power Administration 639–640, 861–862
  Buildings:
    Biologic standards laboratory, National Institutes of Health 600
    Bureau of Old-Age and Survivors Insurance 610
    Central Intelligence Agency 124
    Dental research 601
    Gallaudet College 574
    House office, additional 33–34
    Howard University 575–577
    Public, General Services Administration 230
    Saint Elizabeths Hospital 608–609
    Senate office, additional 34–35
    United States Court of Claims and Federal office 229–230
    United States Mission, New York 230
  Coast Guard 810–811
  Corps of Engineers 529–537
  Family housing, Defense 446–448
  Federal activities 918–929
  Fish and Wildlife Service 692
  Fisheries, Commercial, Bureau of 688–689
  Fisheries, Sport, and Wildlife, Bureau of 684
  Geomagnetic station, Coast and Geodetic Survey 401
  Indian Affairs, Bureau of 651–652
  International Boundary and Water Commission, United States and Mexico 771–772
  Land Management, Bureau of 646–647
  Memorials and cemeteries 117
  Military:
    Air Force 506–507, 512
    Army 458–459, 467, 468
    Army Reserve Forces 459
    Naval Reserve Forces 486, 498
    Navy 485, 498
  Mines, Bureau of 675
  National Advisory Committee for Aeronautics 162–164
  National Bureau of Standards 423
  National Park Service 679–680
  Public Health Service:
    Animal quarters 601
    Biologics standards laboratory building 600
    Dental research building 601
    Hospital, surveys and planning for 600

Page

Construction—Continued
  Public Health Service—Continued
    Indian health facilities 591–592
    Library facilities 601
    Mental health facilities, Alaska 585
    Research facilities 601–602
    Surgical facilities 600
  Radio facilities, United States Information Agency 193
  Reclamation, Bureau of 659–662
  Road, Bureau of Indian Affairs 652–653
  Ryukyu Islands, utility systems 547–548
  School 578, 581
  Ship:
    Coast and Geodetic Survey 400–401
    Maritime activities 405–406
    Navy 486
  Southwestern Power Administration 643
  Veterans' Administration, hospital and domiciliary facilities 205–207
  Water supply facilities, San Diego, California 487
Construction grants, Public Health Service:
  For health research facilities 598
  For hospitals 588–589
  For waste treatment works 587–588
Construction services, General Services Administration 235–236
Construction services, hospital 589
Consular Service, emergencies in 765
Contingencies, Defense 444
Contingencies, international 769, 770
Continuing fund:
  For emergency expenses, Bonneville Power Administration 641
  For emergency expenses, Fort Peck project 666–668
  Southeastern Power Administration 642
  Southwestern Power Administration 644–645
Contract authorizations, definition 3
Contributions:
  Annual, by Public Housing Administration 287, 293
  To international organizations 767–768, 770
  To postal fund 749
  To States, Federal Civil Defense Administration 143
  To Virgin Islands Corporation 697–700
Cooperatives, banks for 140
Copyright Office, Library of Congress 39–40
Corporate assets, liquidation, Treasury 789–791
Corporations:
  General provisions 67–68, 217
  Government-owned:
    Commodity Credit Corporation 310, 313, 325, 327, 332, 336–348
    Export-Import Bank of Washington 130–134
    Federal Crop Insurance Corporation 348–351
    Federal Facilities Corporation 249–251
    Federal Farm Mortgage Corporation 134–135
    Federal intermediate credit banks 135, 136, 137–140
    Federal National Mortgage Association 277–281, 850–851
    Federal Prison Industries, Inc 719–722
    Federal Savings and Loan Insurance Corporation 149–152
    Home Owners' Loan Corporation 151
    Inland Waterways Corporation 413
    Panama Canal Company 551–556
    Public Housing Administration 287–293, 841–842
    Reconstruction Finance Corporation 132–133, 179–180, 251–252, 789–792
    Saint Lawrence Seaway Development Corporation 173–174
    Tennessee Valley Authority 185–191
    Virgin Islands Corporation 697–700
  Other:
    Banks for cooperatives 140
    Federal Deposit Insurance Corporation 146
    Federal home loan banks 149
    International Finance Corporation 788
Corps of Engineers 527–545, 858–859
Corregidor-Bataan Memorial Commission 158
Coulee Dam community, disposal of 666
Council of Economic Advisers 65
Counterpart fund, foreign currency, State 778
Courts:
  Military Appeals 445–446
  United States:
    Appeals and district 54–58
    Claims 53

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Federal Reserve Bank of St. Louis

Courts—Continued — Page
United States—Continued
Customs 52–53
Customs and Patent Appeals 52
Supreme 51–52
Tax 185
Credit programs, Federal 883–894
Credit Unions, Federal, Bureau of 615–616
Creek Indians, distribution of funds 654
Critical agricultural materials, research 311
Critical materials, stockpiling 243–245
Crop Insurance Corporation, Federal 348–351
Cultural, educational, and scientific activities 776
Cumulative sinking fund, Treasury 817
Current authorizations, explanation 3
Customs, Bureau of 798–800, 873
Customs and Patent Appeals Court 52
Customs Court 52–53
Customs refunds and drawbacks 799

D

Debt, public, *see* Public debt.
Debt limit M11
Debt receipts, authorizations to expend from, definition 3
Debt transactions 2
Decennial census, eighteenth 389
Defense, civil, *see* Civil defense.
Defense, Department of—Civil Functions 521–559, 858–860
Defense, Department of—Military Functions 431–519, 857–858
Defense aid 76
Defense housing, Army 460
Defense housing, Navy 487–488
Defense materials activities, General Services Administration 243–248
Defense Mobilization, Office of 66
Defense plants activities, small 180–181
Defense production expansion 77–81
Defense production guaranties:
Air Force 558
Army 556–557
Atomic Energy Commission 123
Commerce 386
General Services Administration 247–248
Navy 557
Defense, science, and the budget M6–M7
Defense Services Administration, Business and 401–402, 855
Defense support, mutual security program 84–85, 92
Deficit, postal 745
Definitions of budget terms 2–3, 826
Dental health activities 596
Dental research building, construction 601
Deposit funds, explanation 826
Deposit Insurance Corporation, Federal 146
Development loan fund, mutual security 89–90, 92
Diplomatic Service, emergencies in 765
Disability and retirement fund, civil service 127, 839
Disability and retirement fund, Foreign Service 765–766, 869–870
Disability insurance trust fund, Federal 871
Disabled veterans, automobiles for 207
Disaster at Texas City, Texas, payment of claimants 556
Disaster loans, Agriculture 355–356
Disaster relief 76
Disbursement, Division of 793
Diseases:
Allergy and infectious 597–598
Animal and poultry 310–311, 313
Arthritis and metabolic 596–597
Communicable 586–587
Tuberculosis, control 585–586
Venereal, control 585
District courts 54–58
District of Columbia 819–824
District of Columbia Auditorium Commission 130–131
Documents, Superintendent of 44–45
Domiciliary facilities construction, Veterans Administration 205–207

E

Economic Advisers, Council of 65
Economic, technical, and other assistance programs, mutual security 85–88, 92, 838–839
Economics, Business, Office of 404
Education: — Page
Beyond the High School, President's Committee on 579
Indian Affairs, Bureau of 649–650
Of the blind 571
Office of 577–581, 860
Science and general, promotion 581
Senate, House, and Supreme Court pages 30
Vocational 577, 580
White House Conference on 860
Educational aid for China and Korea 776
Educational exchange 775–777, 870–871
Educational, scientific, and cultural activities 776
Eglin Field Reservation, wildlife conservation 557–558
Eighteenth decennial census 389
Electric transmission lines, Bonneville Power project 861–862
Emergencies in Diplomatic and Consular Service 765
Emergency boards, National Mediation Board 167–168
Emergency conservation measures, Agriculture 321
Emergency expenses, Bonneville Power Administration 641
Emergency expenses, Fort Peck project 666–668
Emergency fund:
Defense 445
For the President 76–77
Reclamation, Bureau of 664
Emergency supplies and equipment, Federal Civil Defense Administration 141–142
Employees' Compensation, Bureau of 740–741, 868–869
Employees' life insurance, Federal 127, 839–840
Employment Security, Bureau of 735–740
Employment service administration 736–737, 739–740
Engineering, civil, Navy 480–481
Engineering, sanitary 587
Engineers, Corps of 527–545, 858–859
Engineers, Saint Lawrence River Joint Board of, United States section 541
Engraving and Printing, Bureau of 806–807
Entombment of unknown Americans of World War II and Korea 527
Equipment:
And missiles, procurement, Army 456–457
Buildings:
House office, additional 33–34
Saint Elizabeths Hospital 609
Senate office, additional 34–35
Emergency, Federal Civil Defense Administration 141–142
Geomagnetic station, Coast and Geodetic Survey 401
National Advisory Committee for Aeronautics 162–164
National Bureau of Standards 423
Examinations Division, Federal Home Loan Bank Board 148–149, 152
Executive Mansion and grounds 63–64
Executive Office of the President 59–68
Expansion of defense production 77–81
Expenditures:
Budget:
Basis 2
By agency 5
By function 4
By function and agency 889–896
Discussion M8–M9
Eliminations from 2
Historical comparison 954–955
Investment, operating, and other, summary tables 897–906
Federal, Joint Committee on 30
For procurement and science, changes in emphasis M7–M8
Trust, explanation 826
Trust, summary tables 829–836
Experiment stations, State agricultural 309
Export control 403–404
Export-Import Bank of Washington 130–134
Extension and remodeling, State Department building 766
Extension Service 313–314, 851

F

Facilities:
Air-navigation 392–393
And aircraft, Navy and Marine Corps 475
And buildings, Cincinnati, Ohio, Public Health Service 600–601
And buildings, Federal Prison System 718–719
And ordnance, Navy 478–479
And ships, Navy 476–478

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Federal Reserve Bank of St. Louis

Page

Facilities—Continued
- And troops, Marine Corps 473
- Animal disease laboratory, Agriculture 310–311
- Construction of, National Bureau of Standards 423
- Health research, construction, Public Health Service 598
- Hospital, in District of Columbia 231
- Hospital and domiciliary construction, Veterans Administration 205–207
- Indian health, construction 591–592
- Library, construction, Public Health Service 601
- Mental health, Alaska 585
- Meteorological 426
- Physical, maintenance and rehabilitation, National Park Service 678–679
- Post Office 753–754
- Radio, acquisition and construction, United States Information Agency 193
- Research, Agricultural Research Service 311
- Research, construction, National Institutes of Health 601–602
- Surgical, construction, Public Health Service 600
- Water supply, San Diego, California 487

Farm Credit Administration 134–140
Farm housing research 266
Farm labor, Mexican 738
Farm labor supply 738–739
Farm Mortgage Corporation, Federal 134–135
Farm tenant-mortgage insurance fund 356–357
Farmer Cooperative Service 314–315
Farmers' Home Administration 353–358, 853–854
Federal aid:
- Fish restoration and management 685–686
- To State and local governments 930–936
- Wildlife restoration 686

Federal-aid highways 414–417, 419, 421–422
Federal Airport Act, grants-in-aid for airports 393, 397
Federal Bureau of Investigation 715–716
Federal Civil Defense Administration 140–144
Federal Coal Mine Safety Board of Review 144–145
Federal Communications Commission 145–146
Federal credit programs 883–894
Federal Credit Unions, Bureau of 615–616
Federal Crop Insurance Corporation 348–351
Federal Deposit Insurance Corporation 146
Federal disability insurance trust fund 871
Federal employees' life insurance 127
Federal employees' unemployment compensation 737–738, 740
Federal Facilities Corporation 249–251
Federal Farm Mortgage Corporation 134–135
Federal Flood Indemnity Administration 276–277
Federal funds, estimates for (part II) 9–824
Federal funds, types 2
Federal Home Loan Bank Board 146–152
Federal home loan banks 149
Federal Housing Administration 281–287
Federal intermediate credit bank franchise tax receipts 817
Federal intermediate credit banks 135, 136, 137–140
Federal Mediation and Conciliation Service 152
Federal National Mortgage Association 277–281, 850–851
Federal office and Court of Claims building 229–230
Federal old-age and survivors insurance trust fund 871–872
Federal payment to District of Columbia 823
Federal Power Act, payments to States 153
Federal Power Commission 152–154
Federal Prison Industries, Inc 719–722
Federal Prison System 717–722, 865–866
Federal Savings and Loan Insurance Corporation 149–152
Federal ship mortgage insurance 408–409
Federal statistical programs, principal 948–950
Federal Supply Service 237
Federal Trade Commission 154–155
Field Administration Office, Health, Education, and Welfare 617
Finance:
- And international affairs M22–M27, 890, 925
- And supply, Navy 482–483
- Post Office 753

Fine Arts, Commission of 639
Fish and Wildlife Service 682–692, 865
Fish restoration and management, Federal aid 685–686
Fisheries, Commercial, Bureau of 688–691, 865
Fisheries, Sport, and Wildlife, Bureau of 683–687, 865
Fisheries commissions, international 774–775
Fishery products, promotion and development 690
Flood control, Army 527–545, 858–859

Page

Flood Indemnity Administration, Federal 276–277
Flood prevention, Agriculture 317–318
Flood protection, emergency, Rio Grande 772–773
Food and Drug Administration 571–572
Foreign affairs, administration 763–767, 869–870
Foreign Agricultural Service 328–329
Foreign aid procurements 240–241
Foreign Claims Settlement Commission 155, 841
Foreign Commerce, Bureau of 403–404, 856
Foreign currency information schedules:
- Agricultural Trade Development and Assistance Act 94, 193, 245, 328–329, 776
- Export-Import Bank of Washington 133
- Family housing construction, Defense 447–448
- Foreign Agricultural Service 328–329
- General Services Administration 245
- Mutual Security 83–84, 85, 87–88, 838–839
- Provisions by Federal Republic of Germany and Berlin Magistrat 448
- State Department 765, 776, 778, 870, 871
- United States Information Agency 193, 844–845

Foreign investment guaranty fund 90–91
Foreign quarantine activities, Public Health Service 590–591
Foreign Service Building Fund, proceeds of sales of buildings and grounds 765
Foreign Service retirement and disability fund 765–766, 869–870
Forest highways 417–418, 419, 421–422
Forest protection and utilization 363–365, 371
Forest roads and trails 365
Forest Service 363–371, 854
Forestry cooperation, State and private 367
Forests, national, land acquisition 366
Fort Peck project, Montana 666–668
Franchise tax receipts, Federal intermediate credit banks 817
Franklin Delano Roosevelt Memorial Commission 158
Freedmen's Hospital 572–573, 860
Funds, general, special, revolving, and trust, *see* individual agencies.
Funds appropriated to the President 69–94, 838–839

G

Gallaudet College 573–574
Gas and Oil, Office of 637
General Accounting Office 155–157, 841
General administration, Commerce 385–387
General Counsel, Agriculture 358
General Counsel, Health, Education, and Welfare 617–618
General fund, definition 2
General government M52–M55, 894–896, 927–928, 935
General provisions:
- Affecting all departments, agencies, and corporations 67–68
- Other:
  - Agriculture 367–368, 371
  - Atomic Energy Commission 122–123
  - Commerce 412, 420–421, 427
  - Corporations 217
  - Defense—Military Functions 512–515
  - General Services Administration 254
  - Health, Education, and Welfare 620
  - Independent offices 216–217
  - Interior 669–670, 702
  - Justice 723
  - Labor 744
  - Legislative branch 46
  - Mutual security 88–89
  - Panama Canal 555–556
  - Post Office 755
  - State 778
  - The judiciary 58
  - Treasury 815

General Services Administration 221–255, 847–850
General supply fund 238–240
Geodetic Survey, Coast and 399–401
Geological Survey 670–672, 863
Geomagnetic station, Coast and Geodetic Survey 401
Geophysical Year, International 169–170
Gorgas Memorial Laboratory 602
Government, general M52–M55, 894–896, 927–928, 935
Government Organization, President's Advisory Committee on 67
Government Printing Office 43–46
Government Security Commission 129
Governments census 389–390

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Federal Reserve Bank of St. Louis

Page

Grants by:
- Civil Aeronautics Administration 393, 397
- Housing and Home Finance Agency 266, 273, 276
- Public Health Service 583–589, 592–598, 602

Grants to:
- Alaska by Public Health Service 584
- Republic of Philippines, Veterans Administration 205
- States for:
  - Library services 577–578
  - Maternal and child welfare 614
  - Poliomyelitis vaccination 602
  - Public assistance 611–612, 616
  - Unemployment compensation and employment service administration 736–737, 739–740
  - Vocational rehabilitation 581–582, 583
  - Waste treatment works 587–588

Great Plains conservation program 318–319
Grounds, *see* Buildings and grounds.
Guaranties, defense production, *see* Defense production guaranties.
Guaranty fund, foreign investment 90–91
Guard, National, *see* National Guard.
Guard force, United States Secret Service 803

H

Hamilton, Alexander, Bicentennial Commission 157, 841
Health:
- And safety, Bureau of Mines 673–674
- Education, and Welfare, Department of 561–622, 860–861
- National Institutes of 592–598, 600–604

Health activities, Public Health Service:
- Dental 596
- Indian 591
- Mental 594–595

Health facilities, Indian, construction 591–592
Health facilities, mental, Alaska 585
Health Organization, World, Eleventh World Health Assembly of 770
Health research facilities, construction grants 598
Health Service, Public 583–607, 861
Heart Institute, National 595–596
Helium properties, development and operation 676–677
Highway and Rail Commission, Alaska International 116
Highway trust funds 414–418, 421–422
Highways, Bureau of Public Roads 414–420, 856
Historical commissions 157–159, 841
Historical comparison of budget receipts and expenditures 954–955
History and Technology Museum 182–183
History Building, Natural, additions to 182
Holmes, Oliver Wendell, Devise Fund 171
Home Loan Bank Board, Federal 146–152
Home loan banks, Federal 149
Home Owners' Loan Corporation 151
Hospitals:
- And medical care, Public Health Service 589–590
- Construction grants and services, Public Health Service 588–589
- District of Columbia facilities 231
- Freedmen's Hospital 572–573, 860
- Narcotic 602–603, 606–607
- Saint Elizabeths Hospital 607–609, 861
- Surveys and planning for construction, Public Health Service 600
- Veterans Administration, construction 205–207

House and Senate roofs and chambers 36
House of Representatives 28–31
House Office Buildings 33–34
Housing:
- And commerce M37–M45, 893–894, 926–928, 934–936
- College 266, 267–268, 276
- Defense:
  - Army 460
  - Family 446–448
  - Navy 487–488
  - Wherry Act 448–449
- Farm, research 266
- Public, low-rent program 287–293

Housing Administration, Federal 281–287
Housing Administration, Public 287–293, 841–842
Housing and Home Finance Agency 257–293, 850–851
Housing Authority, National Capital 164, 841–842
Housing inventory, national 390–391
Housing studies 266
Howard University 574–577

I

Page

Immigration and Naturalization Service 716–717
Indemnities, veterans' 204–205, 207, 216
Independent offices 95–220, 839–847
Indian Affairs, Bureau of 649–658, 862–863
Indian Claims Commission 159–160
Indian health activities 591
Indian moneys, proceeds of labor, agencies, schools, etc 862–863
Indian tribal funds 655–656
Indians:
- Creek, distribution of funds 654
- Klamath Tribe, payment to 654
- Menominee Tribe, payment to 654

Industrial fund:
- Air Force 508–509
- Army 461–464
- Navy 491–494

Industrial Use of Agricultural Products, Increased, Commission on 129
Infectious diseases 597–598
Information Agency, United States 191–195, 844–845
Information Office, Agriculture 361–362, 854
Inland Waterways Corporation 413
Inpatient care, Veterans Administration 197–199, 215–216
Inspection services, Food and Drug Administration 571–572
Institutes of Health, National 592–598, 600–604
Insurance:
- And indemnities, veterans' 204–205, 207, 216
- Check forgery insurance fund 798
- Disability, Federal, trust fund 871
- Farm tenant-mortgage 356–357
- Federal Crop Insurance Corporation 348–351
- Federal Deposit Insurance Corporation 146
- Federal Housing Administration 281–287
- Federal Savings and Loan Insurance Corporation 149–152
- Flood 276–277
- Life:
  - Federal employees' 127, 839–840
  - National service 845–846
  - United States Government 846–847
  - Veterans special term 212–213
- Old-Age and Survivors, Bureau of 609–610, 616
- Old-age and survivors, Federal, trust fund 871–872
- Ship mortgage, Federal 408–409
- Unemployment, railroad 844
- Veterans, service-disabled 211–212
- War risk, aviation 385
- War risk, maritime activities 411–412

Inter-American Highway 418–419, 422
Interdepartmental Radio Advisory Committee 66
Interest on:
- Public debt M52–M53, 815, 896
- Refunds of internal revenue collection 801
- Refunds of receipts M52–M53, 896
- Uninvested funds M52–M53, 794, 896

Interfund transactions 951–953
Interior, Department of the 623–706, 861–865
Intermediate credit banks, Federal 135, 136, 137–140
Internal revenue collections, Virgin Islands 695
Internal Revenue Service 800–802, 874
International affairs and finance M22–M27, 890, 925
International Bank for Reconstruction and Development 788
International Boundary and Water Commission, United States and Mexico 770–772
International Claims Settlement Act, title II fund 868
International commissions 770–775
International comissions, American sections 773
International contingencies 769, 770
International Cooperation Administration, mutual security program 81–92
International educational exchange activities 775–776
International Finance Corporation 788
International fisheries commissions 774–775
International Geophysical Year 169–170
International organizations, investigations of United States citizens for employment by 126
International organizations and conferences 767–770
International program, special, President's 92–93
Interservice activities, Defense Department 444–449
Interstate Commerce Commission 160–161
Interstate Commission on the Potomac River Basin 161
Intragovernmental funds, definition 2

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Federal Reserve Bank of St. Louis

Investigations: Page
Civil Service Commission 126, 127–128
Corps of Engineers 527–529
Geological Survey 670–671
Of resources:
Commercial Fisheries, Bureau of 688
Fish and Wildlife Service 692
Sport Fisheries and Wildlife, Bureau of 683–684
Of United States citizens for employment by international organizations 126
Reclamation, Bureau of 658–659
Investment fund, Federal intermediate credit banks 135
Investment fund, production credit associations 135–136
Investment guaranty fund, foreign 90–91
Investment in:
Federal Deposit Insurance Corporation 146
Federal home loan banks 149
Flood indemnity operations 276–277
International Bank for Reconstruction and Development 788
International Finance Corporation 788
Investment, operating, and other budget expenditures, summary tables 897–906
Investment transactions 2
Investments and interfund transactions, selected 951–953
Issues, budgetary, analysis of M12–M56

J

Jamestown-Williamsburg-Yorktown Celebration Commission 158–159
Japanese ancestry, claims of persons of 714
Joint Committee on Reduction of Nonessential Federal Expenditures 30
Judges 54, 57
Judgments, United States courts and Court of Claims, Post Office Department 754
Judicial survivors annuity fund 838
Judiciary, The 47–58, 838
Jurors, United States courts 55, 58
Justice, Department of 707–724, 865–868

K

Klamath Tribe of Indians, payment to 654
Korean Reconstruction Agency, United Nations 847

L

Labor:
And welfare M31–M37, 891–892, 925, 928, 934
Department of 725–744, 868–869
Mexican farm 738
Labor Relations Board, National 166–167
Labor Standards, Bureau of 733–734
Labor standards, highway trust fund 421
Labor Statistics, Bureau of 741–742, 869
Labor supply, farm 738–739
Lafayette Building, Washington, D. C. 233
Lambert, Gustaf E., gold medal for 805
Land acquisition:
District of Columbia 231
National Capital Planning Commission 165, 166
National forests 366
Land Management, Bureau of 645–649, 862
Laundry service, Naval Academy 488–489
Law library, Library of Congress 41–42
Legal activities and general administration, Justice 711–715
Legislative branch 19–58, 837
Legislative Counsel, Senate and House of Representatives 30
Legislative garage 33
Legislative Reference Service, Library of Congress 40
Library:
Agriculture 362
Franklin D. Roosevelt 848
Of Congress 37–43, 837
Of Medicine, National 599, 601
Library buildings and grounds, Architect of the Capitol 36–37
Library facilities, construction, Public Health Service 601
Library services, grants for 577–578
Life insurance, *see* Insurance.
Lighthouse Service widows, annuities 126–127
Liquidating functions, Federal National Mortgage Association 279–281
Liquidating programs, Housing and Home Finance Agency 270–272
Liquidation: Page
Corporate assets, Treasury 789–791
Reconstruction Finance Corporation 132–133, 179–180, 251–252, 789–792
War Shipping Administration 408
Loans:
Capital outlay, to District of Columbia 823–824
Civil defense 791
College housing 267–268, 276
Commodity Credit Corporation 344–347
Development loan fund, mutual security 89–90, 92
Direct, to veterans and reserves 209–210
Disaster, Agriculture 355–356
Farmers' Home Administration 353–356
Federal Home Loan Bank Board 146–152
Federal National Mortgage Association, secondary market operations 277–278
Fisheries 690–691
From foreign currencies, Export-Import Bank 133
Indian Affairs' revolving fund 657–658
Public facility, Housing and Home Finance Agency 266, 268–269
Public Housing Administration 287–293
Reclamation, Bureau of 663–664
Rural Electrification Administration 351–352
To private trading enterprises, Trust Territory of the Pacific Islands 697
Urban renewal 273–275
Loran stations 446, 449
Low-rent public housing program 287–293

M

Mail costs, penalty, House of Representatives 31
Mail volume 745–746
Maintenance:
And operation, *see* Operation and maintenance.
And rehabilitation of physical facilities, National Park Service 678–679
Road, Bureau of Indian Affairs 652–653
Management:
And protection, National Park Service 677–678
And restoration, fish 685–686
Of national wildlife refuges 686
See also Resources management.
Management functions, Federal National Mortgage Association 279–281
Management fund:
Air Force 509–510
Army 464
Buildings, General Services Administration 234–235
Definition 2
National Institutes of Health 603–604
Navy 494
Management improvement, expenses of 81
Manufactures census 388–389, 390
Marine Academy, Merchant, Kings Point, N. Y. 856
Marine Corps 471–475
Marine schools, State 407–408
Maritime activities 405–412, 856
Maritime training 407
Market operations, secondary, Federal National Mortgage Association 277–278, 850–851
Marketing, agricultural, revolving fund, Farm Credit Administration 136
Marketing quotas and acreage allotments 332, 337
Marketing research and service 322–323
Marketing Service, Agricultural 322–327, 852
Marshals, United States 713
Mass transportation survey, Washington regional 165–166
Maternal welfare 614
Mediation and Conciliation Service, Federal 152
Mediation Board, National 167–168
Medical administration, Veterans Administration 196–197
Medical care, Navy 479–480
Medical care, Public Health Service 589–590
Medicine, National Library of 599, 601
Memorial commissions 157–159, 841
Memorial fund, Pershing Hall 872
Memorials, construction 117
Menominee Tribe of Indians, payment to 654
Mental health activities, Public Health Service 594–595
Mental health facilities, Alaska 585
Merchant Marine Academy, Kings Point, N. Y. 856
Mess fund, commuted ration, Coast Guard 874–875
Message of the President, budget M5–M56
Metabolic diseases 596–597

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Federal Reserve Bank of St. Louis

Page

Meteorological facilities 426
Mexican farm labor 738
Mexico and United States, International Boundary and Water Commission 770–772
Mexico and United States, special claims commission 870
Migratory bird conservation 685, 687
Military Appeals, Court of 445–446
Military assistance, mutual security program 81–84, 91, 92
Military assistance fund reservations for Defense Department 518–519
Military construction, *see* Construction, military.
Military Functions, Department of Defense 431–519, 857–858
Military personnel:
- Air Force and Reserve 503–505, 512
- Army and Reserve 450–451, 453, 467
- Marine Corps and Reserve 471–472, 497–498
- Navy and Reserve 468–470, 497

Military procurement:
- Aircraft and missile, Air Force 498–499
- Army 456–457
- Marine Corps 472–473
- Navy, ordnance and ammunition 478, 498
- Navy and Marine Corps, related to aircraft construction 473–475

Military property, *see* Property.
Military public works 918, 923–924, 929
Milk, special program 348
Mineral industries census 388–389, 390
Mineral resources, conservation and development 672–673
Minerals acquisition, strategic 638–639
Minerals Mobilization, Office of 638–639
Mines:
- Anthracite, drainage 675
- Bureau of 672–677, 864
- Federal Coal Mine Safety Board of Review 144–145

Mint, Bureau of the 804–805
Missile procurement and support, Air Force 498–500, 511–512
Missiles and equipment procurement, Army 456–457
Missions to international organizations 768–769
Mississippi River and tributaries, flood control 539–541
Moneys erroneously received and covered, refunds of 795
Monuments Commission, American Battle 116–117, 839
Mortgage Association, Federal National 277–281, 850–851
Mortgage insurance fund, farm tenant 356–357
Motor vehicles, statement of:
- Agriculture 371–373
- Commerce 428
- Defense—Civil Functions 559
- Defense—Military Functions 515–516
- Executive Office of the President 68
- General Services Administration 255
- Health, Education, and Welfare 621–622
- Housing and Home Finance Agency 293
- Independent offices 217–220
- Interior 702–705
- Justice 723–724
- Labor 744
- Post Office Department 755
- State 779
- Treasury 816

Museum of History and Technology 182–183
Mutual security 81–92, 838–839
Mutual security, administrative expenses 766, 767

N

Narcotic hospitals 602–603, 606–607
Narcotics, Bureau of 802
National Advisory Committee for Aeronautics 161–164
National Airport, Washington 393–395
National Archives and Records Service 241–242, 848–850
National Board for Promotion of Rifle Practice 457
National Bureau of Standards 422–425, 856–857
National Cancer Institute 593–594
National Capital Housing Authority 164, 841–842
National Capital Planning Commission 164–166, 842–843
National forests, land acquisition 366
National Gallery of Art 183
National Guard, Air 505–506, 512
National Guard, Army 453–455, 467
National Heart Institute 595–596
National homes' general post fund, Veterans Administration 845
National housing inventory 390–391
National Institutes of Health 592–598, 600–604
National Labor Relations Board 166–167

Page

National Library of Medicine 599, 601
National Mediation Board 167–168
National Park Service 677–682, 864
National Railroad Adjustment Board 168
National Science Foundation 168–171, 843
National security, major M14–M22, 890
National Security Council 65–66
National security public works 918, 923–924, 929
National Security Training Commission 171
National service life insurance 845–846
National wildlife refuges 686
National Wool Act 336
Natural History Building additions 182
Natural resources M51–M52, 892–893, 926, 934–935
Naturalization and Immigration Service 716–717
Naval Academy laundry service 488–489
Naval petroleum reserves 484–485
Naval working fund 491
Navy, Department of the—Civil Functions 557
Navy, Department of the—Military Functions 468–498, 857–858
Neurology activities 598
New obligational authority, explanation 2–3
New obligational authority, summary tables 6, 14–15, 889–896
Niagara remedial works 542

O

Obligation basis 2–3
Obligational authority, new, explanation 2–3
Obligational authority, new, summary tables 6, 14–15, 889–896
Obligational authority for trust funds, explanation 826
Obligations, summary 13
Officers, commissioned, retired pay, Public Health Service 599
Oil and Gas, Office of 637
Old-Age and Survivors Insurance, Bureau of 609–610, 616
Old-age and survivors insurance trust fund, Federal 871–872
Oliver Wendell Holmes Devise Fund 171
Operating-differential subsidies, maritime activities 406
Operation and maintenance:
- Air Force 501–503
- Airport, Washington National 393–395
- Airports, Alaska public 395–396
- Alaska Communication System 457–458
- Army 451–453
- Bonneville Power Administration 640–641
- International Boundary and Water Commission, United States and Mexico 771
- Of properties, National Capital Housing Authority 164, 841–842
- Reclamation, Bureau of 662–663
- Rivers and harbors and flood control, Army 537–538, 545
- Southeastern Power Administration 642, 643
- Southwestern Power Administration 643–644
- Supply depots, Veterans Administration 200, 216
- United States Soldiers' Home 545

Operations:
- Administrative, General Services Administration 252–253
- And regulation, Civil Aeronautics Administration 391–392
- Post Office 751–752
- Regional, Post Office 750–751
- Servicewide, Navy 483–484

Ordnance:
- And ammunition, procurement, Navy 478, 498
- And facilities, Navy 478–479
- For new construction, Navy 486–487

Outpatient care, Veterans Administration 199

P

Pacific Islands, Trust Territory of the 693–694, 697
Pages of Senate, House, and Supreme Court, education 30
Pan-American Games, Cleveland 777–778
Panama, Republic of, payment to 778
Panama Canal 548–556
Panama Canal bridge 551
Panama Canal Company 551–556
Panama Canal construction employees, annuities 126–127
Park, parkway, and playground system, National Capital 165
Park Service, National 677–682, 864
Passamaquoddy tidal power survey 774
Passenger motor vehicles, *see* Motor vehicles.
Patent Appeals and Customs Court 52
Patent Office 413–414
Pay, retired, *see* Retired pay.
Pay adjustments, civilian personnel, Defense—Military Functions 512

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Federal Reserve Bank of St. Louis

Payment of: Page
Claims:
Certified 794
Special claims commission, United States and Mexico 870
United States Soldiers' Home 859
Government losses in shipment 795
Payment from proceeds, sale of water, Mineral Leasing Act 672
Payment to:
Air carriers 398–399
And receipts from the public, Federal Government M11–M12, 879–882
Civil service retirement and disability fund 127
Claimants, disaster at Texas City, Texas 556
Contractors, public buildings purchase contracts 229
Counties, Migratory Bird Conservation Act 687
District of Columbia, Federal 823
Foreign Service retirement and disability fund 765–766
Former German prisoners of war 870
Indians, Klamath Tribe 654
Indians, Menominee Tribe 654
Republic of Panama 778
School districts 579–580, 581
States, Federal Power Act 153
States, flood control 542
States and Territories, Agricultural Research Service 309
States and Territories, Extension Service 313–314
States, Territories, and possessions, Agricultural Marketing Service 323–324
Tennessee Valley Authority fund 185–191
Unemployment trust fund 794
Pensions, Veterans Administration 200–202, 216
Perishable Agricultural Commodities Act fund 325
Permanent authorizations, explanation 3
Permanent Committee for the Oliver Wendell Holmes Devise 171
Pershing Hall Memorial Fund 872
Personal property activities, General Services Administration 237–241, 847
Personal property sold abroad, replacement of 766–767
Personnel, military and reserve, *see* Military personnel.
Petroleum reserves, naval 484–485
Philippines, alien property fund 867
Philippines, Veterans Administration grants 205
Planned public works, reserve of, Housing and Home Finance Agency 269–270
Planning Commission, National Capital 164–166, 842–843
Plant acquisition, Atomic Energy Commission 121–122, 124
Plant and equipment, National Bureau of Standards 423
Playground, park, and parkway system, National Capital 165
Police, Capitol 30
Police, White House 803–804
Poliomyelitis vaccination grants 602
Post fund, general, national homes, Veterans Administration 845
Post Office Department 745–755
Postal deficit 745
Postal fund 749–755
Postal rate increase 754–755
Postal revenues 745–746
Postal transportation 752–753
Potomac River Basin, Interstate Commission on the 161
Poultry diseases 310
Power Administration:
Bonneville 639–641, 861–862
Southeastern 642–643
Southwestern 643–645
Power Commission, Federal 152–154
Power plant, Capitol 34–35
Power survey, Passamaquoddy tidal 774
President of the United States:
Compensation 63
Emergency fund for the 76–77
Executive Office of the 59–68
Funds appropriated to the 69–94, 838–839
Message transmitting the budget M5–M56
President's Advisory Commission on Presidential Office Space 171
President's Advisory Committee on Government Organization 67
President's Committee on Education Beyond the High School 579
President's special international program 92–93
Presidents' papers, organizing and microfilming 43
Pribilof Islands 689

Printing: Page
And binding, Government Printing Office 43–44
And binding, Supreme Court reports 51
And Engraving, Bureau of 806–807
Printing House for the Blind, American 571
Printing Office, Government 43–46
Prison Industries, Inc., Federal 719–722
Prison System, Federal 717–722, 865–866
Prisoners, United States, support of 719, 722
Prisons, Bureau of 717
Proceeds from estates of American citizens who die abroad 841
Procurement:
Defense materials 247–248
Foreign aid 240–241
Military, *see* Military procurement.
Procurement and science expenditures, changes in emphasis M7–M8
Procurement fund, civil defense 143–144
Production, defense, expansion of 77–81
Production credit associations 135–136
Property:
Acquisition of, additional House office building 33–34
Alien, Office of 722–723, 866–868
Helium, development and operation 676–677
Military, preparation for sale or salvage:
Air Force 507
Army 459–460
Navy 487
Personal, sold abroad, replacement of 766–767
Personal, General Services Administration 237–241, 847
Real, General Services Administration 227–237
Surplus, real and related personal, disposal, General Services Administration 232
Surplus, utilization of, Health, Education, and Welfare 618
Proposed for later transmission:
Agriculture 313, 327, 332, 337–338, 348, 371
Atomic Energy Commission 124
Commerce 402, 404, 421–422
Defense—Civil Functions 545, 556
Defense—Military Functions 444, 449, 467–468, 497–498, 511–512
Explanation 3
Export-Import Bank of Washington 134
Federal Civil Defense Administration 144
Federal Power Commission 154
General Services Administration 236–237, 243
Health, Education, and Welfare 581, 583, 616
Housing and Home Finance Agency 276, 281, 287, 293
Interior 643, 649, 669
Justice 715, 722
Labor 739–740
Mutual security 92
National Advisory Committee for Aeronautics 164
National Capital Planning Commission 166
National Science Foundation 170–171
Post Office 754–755
Small Business Administration 181
State 767, 770
Tennessee Valley Authority 191
The judiciary 57–58
Veterans Administration 215–216
Protection M13–M27
Public Affairs Office, Defense Department 443
Public airports, Alaska 395–396
Public Assistance, Bureau of, and grants to States 611–612, 616
Public buildings, *see* Buildings.
Public Buildings Service 227, 236–237
Public debt:
Bureau of the 796
Changes in status, summary table 7
Interest on M52–M53, 815, 896
Statutory retirements 817
Public enterprise fund expenditures, summary 18
Public enterprise funds, definition 2
Public facility loans, Housing and Home Finance Agency 266, 268–269
Public Health Service 583–607, 861
Public Housing Administration 287–293, 841–842
Public lands highway 418, 419, 421–422
Public Roads, Bureau of 414–420, 856
Public Utilities and Transportation Service 242–243
Public works:
Alaska 694
Civil and national security 918–929

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Federal Reserve Bank of St. Louis

Page

Public works—Continued
Military ... 918, 923–924, 929
Virgin Islands ... 695
Public works planning, Housing and Home Finance Agency ... 269–270
Puerto Rico, National Prohibition Act enforcement ... 874
Purchase contracts, public buildings ... 228–229

Q

Quarantine activities, foreign, Public Health Service ... 590–591

R

Radio Advisory Committee, Interdepartmental ... 66
Rail and Highway Commission, Alaska International ... 116
Railroad, Alaska ... 695–697
Railroad Adjustment Board, National ... 168
Railroad rate increases ... 754
Railroad Retirement Board ... 171–172, 843–844
Railroad unemployment insurance administration ... 844
Rama Road, Nicaragua ... 777
Range improvements, cooperative ... 367
Range improvements, Land Management, Bureau of ... 647
Rate increases, railroad and postal ... 754–755
Readjustment benefits, Veterans Administration ... 202–204, 216
Real and related personal property, surplus disposal, General Services Administration ... 232
Real property activities, General Services Administration ... 227–237
Reappropriations, definition ... 3
Reauthorizations, definition ... 3
Receipts:
Budget:
Basis ... 2
Discussion ... M9–M11
Eliminations from ... 2
Historical comparison ... 954–955
Summary tables ... 4, 883–888
Debt, authorizations to expend from, definition ... 3
Estimates, explanation ... 883–884
Franchise tax, obligations retired from ... 817
From and payments to the public, Federal Government ... M11–M12, 879–882
Refunds of, Treasury ... 795, 799, 801
Trust, explanation ... 826
Trust, summary tables ... 829–836
Reclamation, Bureau of ... 658–670, 863
Reconstruction and Development, International Bank for ... 788
Reconstruction Finance Corporation ... 132–133, 179–180, 789–792
Reconstruction Finance Corporation liquidation fund ... 251–252
Records activities, General Services Administration ... 241–242, 848–850
Records Service and Archives, National ... 241–242, 848–850
Reemployment Rights, Veterans', Bureau of ... 734
Referees, United States courts ... 56–57, 58
Refuge, wildlife, upper Mississippi River ... 685
Refugee relief ... 93–94
Refuges, Migratory Bird Conservation Act ... 685
Refuges, wildlife, national ... 686
Refunds:
And drawbacks, customs ... 799
Highway trust fund ... 421
Of internal revenue collections ... 801
Of moneys erroneously received and covered ... 795
Under Renegotiation Act ... 249
Regulation and operation, Civil Aeronautics Administration ... 391–392
Rehabilitation:
Acquisition, and rental of Wherry Act housing ... 448–449
And construction, Bureau of Reclamation ... 659–662
National Park Service physical facilities ... 678–679
Rural ... 853–854
Vocational, Office of, Health, Education, and Welfare ... 581–583
Vocational, Veterans Administration ... 213–214
Reimbursement to: Commodity Credit Corporation:
Agricultural Marketing Service ... 325, 327
Agricultural Research Service ... 310, 313
Commodity Stabilization Service ... 336, 337–338
Soil bank programs ... 332
Relief:
Civil, soldiers' and sailors' ... 212
Disaster ... 76
Refugee ... 93–94
Relief acts, private, Treasury ... 794–795
Renegotiation Act, refunds under ... 249

Page

Renegotiation Board ... 172–173
Renewal, urban ... 266, 272–275, 276
Repairs:
And improvements:
Buildings, federally owned ... 228
Capitol grounds ... 36
Court of Claims ... 53
Veterans Administration facilities ... 207
Buildings, public ... 232–233
Rental, and maintenance of quarters, Veterans Administration ... 210–211
Reserve fleet vessels ... 408
Saint Elizabeths Hospital ... 608
Representation allowances, State ... 764
Representatives, House of ... 28–31
Research:
Advanced Research Projects Agency ... 443–444
American fisheries ... 690
And development:
Air Force ... 500–501, 512
Army ... 455–456
Federal Civil Defense Administration ... 142–143
Federal programs ... 937–947
Navy ... 481–482, 498
Rubber program, National Science Foundation ... 170
And services, National Institutes of Health ... 592–593
Farm housing ... 266
Geological Survey ... 670–671
Marketing, Agriculture ... 322–323
Post Office Department ... 750–751
Strategic and critical agricultural materials ... 311
Research building, dental ... 601
Research Center, Agricultural ... 311–312
Research facilities, Agricultural Research Service ... 311
Research facilities, construction, National Institutes of Health ... 601–602
Research Service, Agricultural ... 307–313, 851
Reserve personnel, *see* Military personnel.
Reserve training, Coast Guard ... 812–813
Reserves and veterans, direct loans to ... 209–210
Resources:
Agricultural, and agriculture ... M46–M50, 892, 925, 934–935
Investigations of:
Commercial Fisheries, Bureau of ... 688
Fish and Wildlife Service ... 692
Fisheries, Sport, and Wildlife, Bureau of ... 683–684
Mineral, conservation and development ... 672–673
Natural ... M51–M52, 892–893, 926, 934–935
Resources management:
Fish and Wildlife Service ... 692
Fisheries, Commercial, Bureau of ... 688
Fisheries, Sport, and Wildlife, Bureau of ... 683–684
Indian Affairs, Bureau of ... 650–651
Land Management, Bureau of ... 645–646, 649
Résumé of the budget ... M4
Retired pay:
Coast Guard ... 811–812
Defense ... 445
Public Health Service ... 599
Retirement and disability fund, civil service ... 127, 839
Retirement and disability fund, Foreign Service ... 765–766, 869–870
Retirement Board, Railroad ... 171–172, 843–844
Revenue collections, internal, Virgin Islands ... 695
Revenue Service, Internal ... 800–802, 874
Revenues, postal ... 745–746
Revolving and management funds, definition ... 2
Revolving and management funds, *see* individual agencies.
Revolving funds, detailed statements, explanation ... 11–12
Revolving funds, trust, expenditures and applicable receipts, summary table ... 836
Rifle Practice, National Board for Promotion of ... 457
Rio Grande emergency flood protection ... 772–773
Rivers and harbors and flood control, Army ... 527–545, 858–859
Roads:
And trails, forest ... 365
And trails for States, national forest fund ... 368–369
Indian Affairs, Bureau of ... 652–653
Public, Bureau of ... 414–420, 856
Rama Road, Nicaragua ... 777
Roosevelt, Franklin D., Library ... 848
Roosevelt, Franklin Delano, Memorial Commission ... 158
Roosevelt, Theodore, Centennial Commission ... 159
Rubber program, National Science Foundation ... 170
Rural Electrification Administration ... 351–352

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Federal Reserve Bank of St. Louis

Page

Rural rehabilitation funds 853–854
Ryukyu Islands 545–548, 859

S

Safety and health, Bureau of Mines 673–674
Safety Board of Review, Federal Coal Mine 144–145
Saint Elizabeths Hospital 607–609, 861
Saint Lawrence River Joint Board of Engineers, United States section 541
Saint Lawrence Seaway Development Corporation 173–174
Sale or salvage of military property, *see* Property.
Saline Water, Office of 637
Salmon runs' restoration, Fraser River system, International Pacific Salmon Fisheries Commission 775
Sanitary engineering 587
Satellite, United States Scientific 446
Savings and Loan Insurance Corporation, Federal 149–152
Schedules and statements, budget, explanation 11–12
School construction 578, 581
School districts, payments to 579–581
School lunch program 324–325
Schools, State marine 407–408
Science and general education, promotion 581
Science and procurement expenditures, changes in emphasis M7–M8
Science, defense, and the budget M6–M7
Science Foundation, National 168–171, 843
Scientific, educational, and cultural activities 776
Secondary market operations, Federal National Mortgage Association 277–278, 850–851
Secret Service, United States 803–804
Secretary, Office of the:
  Agriculture 358–361
  Defense 443–444
  Health, Education, and Welfare 616–620, 861
  Interior 700–702
  Labor 731–732
  Treasury 788–792, 871–873
Securities and Exchange Commission 174–175
Security:
  Employment, Bureau of 735–740
  Government, Commission on 129
  Major national M14–M22, 890
  Mutual 81–92, 838–839
  National, public works 918, 923–924, 929
Security Administration, Social 609–616
Security Council, National 65–66
Security Training Commission, National 171
Selective Service System 175–176
Senate 26–28
Senate and House roofs and chambers 36
Senate Office Building 32–33, 34–35
Senate restaurants 36
Service and supply fund, Public Health Service 604–606
Service-disabled veterans' insurance fund 211–212
Ship construction, *see* Construction, ship.
Ship mortgage insurance, Federal 408–409
Shipbuilding and conversion, Navy 476, 498
Ships and facilities, Navy 476–478
Ships' stores profits, Navy 487
Sinking fund, cumulative, Treasury 817
Sites and expenses, purchase contract projects 228–229
Slum clearance 273
Small Business Administration 176–181
Small defense plants activities 180–181
Smithsonian Institution 181–183, 844
Social Security Administration 609–616
Soil bank programs 330–332
Soil Conservation Service 315–319, 852
Soldiers' and sailors' civil relief 212
Soldiers' Home, United States 545, 859–860
Solicitor's Office, Interior 637–638
Solicitor's Office, Labor 732–733
Southeastern Power Administration 642–643
Southwestern Power Administration 643–645
Special analyses (part IV) 877–955
Special assistance functions, Federal National Mortgage Association 278–279, 281
Special funds, definition 2
Special projects, The White House Office 63
Special services, Post Office 746
Sport Fisheries and Wildlife, Bureau of 683–687, 865

Page

Standards:
  Labor, Bureau of 733–734
  Labor, highway trust fund 421
  National Bureau of 422–425, 856–857
State, Department of 757–779, 869–870
State and local governments, Federal aid to 930–936
State and private forestry cooperation 367
State experiment stations 309
State marine schools 407–408
State rural rehabilitation funds 853–854
States:
  Assistance to:
    Civil defense 144
    For tree planting 367
    Public Health Service 583–584
  Federal contributions to, for civil defense 143
  Roads and trails, national forests fund 368–369
  See also Grants to States and Payments to States.
Statistical programs, principal Federal 948–950
Statistical work, special:
  Census Bureau 855
  Foreign Commerce, Bureau of 856
  Labor Statistics, Bureau of 869
  Weather Bureau 857
Statistics, Labor, Bureau of 741–742, 869
Stock fund:
  Air Force 510–511
  Army 465–467
  Marine Corps 489–491
  Navy 494–497
Stockpiling of strategic and critical materials 243–245
Strategic agricultural materials, research 311
Strategic materials, stockpiling 243–245
Strategic minerals acquisition 638–639
Subsidies, operating-differential, maritime activities 406
Subversive Activities Control Board 184
Subway transportation, Capitol and Senate Office Buildings 32
Sugar Act program 332–333
Summary tables:
  Balances, unexpended, *see* Balances, unexpended, analysis of.
  Balances available at start of year 16–17
  Budget and trust transactions for fiscal year 1959 8
  Budget authorizations 6, 14–15, 889–896
  Budget authorizations, obligations, expenditures, and balances 13
  Budget expenditures 4, 5, 889–906, 954–955
  Budget receipts 4, 883–888, 954–955
  Budget résumé M4
  Changes in status of public debt 7
  Chapter, part II, explanation 10
  Expenditures of public enterprise funds 18
  Explanation 2–3, 826, 878
  Federal activities in public works and other construction 918–929
  Federal aid to State and local governments 930–936
  Federal credit programs 883–894
  Military assistance fund reservations for Defense Department 518–519
  Obligational authority, new 6, 14–15, 889–896
  Receipts from and payments to the public, Federal Government 879–882
  Research and development, Federal programs 937–947
  Selected investments and interfund transactions 951–953
  Trust receipts and expenditures 829–836
  See also tables at beginning of each chapter, part II.
Superintendent of Documents 44–45
Superior National Forest 366
Supplies, emergency, Federal Civil Defense Administration 141–142
Supply and finance, Navy 482–483
Supply and service fund, Public Health Service 604–606
Supply depots, Veterans Administration 200, 216
Supply distribution, General Services Administration 238
Supply fund:
  Coast Guard 813–814
  General 238–240
  Veterans Administration 214–215
Supply Service, Federal 237
Supreme Court, books for, Library of Congress 42
Supreme Court of the United States 51–52
Surgical facilities, construction, Public Health Service 600
Surplus, budget, definition 2

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Federal Reserve Bank of St. Louis

Page

Surplus agricultural commodities, removal 326–327
Surplus property disposal, real and related, General Services Administration 232
Surplus property utilization, Health, Education, and Welfare 618
Surveying ship, construction 400–401
Surveys:
Hospital construction, Public Health Service 600
Investigations, and research, Geological Survey 670–671
Passamaquoddy tidal power 774

T

Tables, summary, *see* Summary tables.
Tariff Commission 184–185
Tax Court of the United States 185
Technical assistance, mutual security 85–88, 92, 838–839
Technology and History Museum 182–183
Tennessee Valley Authority 185–191
Terms, budget, definitions 2–3, 826
Territories, Office of 692–700
Texas City, Texas, disaster, payment of claimants 556
Theodore Roosevelt Centennial Commission 159
Tin acquisition 245
Trade Commission, Federal 154–155
Trading enterprises, private, loans by Trust Territory of the Pacific Islands 697
Training:
And traineeships, Office of Vocational Rehabilitation 582
Coast Guard reserve 812–813
Maritime 407
Training Commission, National Security 171
Transmission lines, electric, Bonneville Power project 861–862
Transportation, Post Office 752–753
Transportation, subway, Capitol and Senate Office Buildings 32
Transportation and Public Utilities Service 242–243
Transportation survey, Washington regional mass 165–166
Treasurer, Office of the 797–798
Treasury Department 781–817, 871–875
Treaty obligations, Indian Affairs 656
Tree planting, assistance to States 367
Tribal funds, Indian 655–656
Troops and facilities, Marine Corps 473
Trust and budget transactions for fiscal year 1959, summary 8
Trust expenditures, summary tables 829–836
Trust funds:
Discussion M11
Estimates for (part III) 825–875
Explanation 826
Revolving, definition 826
Trust receipts, summary tables 829–836
Trust revolving funds, expenditures and applicable receipts, summary table 836
Trust Territory of the Pacific Islands 693–694, 697
Tuberculosis, control 585–586

U

Unemployment compensation administration 736–737, 739–740
Unemployment insurance, railroad 844
Unemployment trust fund 794, 872–873
Uninvested funds, interest on M52–M53, 794, 896
Unitary plan, National Advisory Committee for Aeronautics 163–164
United Nations Korean Reconstruction Agency 847
United States and Mexico, International Boundary and Water Commission 770–772
United States and Mexico, special claims commission 870
United States courts, *see* Courts, United States.
United States Government life insurance fund 846–847
United States Information Agency 191–195, 844–845
United States Mission building, New York 230
United States Scientific Satellite 446
United States Secret Service 803–804
United States Soldiers' Home 545, 859–860
Upper Colorado River Basin 668–669
Urban planning grants 266
Urban renewal 266, 272–275, 276
Utilities and transportation activities, General Services Administration 242–243
Utility systems, Ryukyu Islands 547–548

V

Page

Vatican City claims 778
Vehicles, *see* Motor vehicles, statement of.
Venereal diseases, control 585
Vessel operations revolving fund, Commerce 409–411
Vessel repair, reserve fleet 408
Veterans:
Adjusted-service certificate fund 845
Compensation and pensions 200–202, 216
Direct loans to 209–210
Disabled, automobiles for 207
General post fund, national homes 845
Grants to Republic of Philippines 205
Hospital and domiciliary facilities construction 205–207
Inpatient care 197–199, 215–216
Insurance and indemnities 204–205, 207, 216
Outpatient care 199
Readjustment benefits 202–204, 216
Unemployment compensation 737, 740
Vocational rehabilitation 213–214
Veterans Administration 195–216, 845–847
Veterans Canteen Service 208–209
Veterans insurance fund, service-disabled 211–212
Veterans' Reemployment Rights, Bureau of 734
Veterans' services and benefits M45–M46, 891, 925, 928, 934
Veterans special term insurance 212–213
Vice President's Office 26
Virgin Islands, internal revenue collections 695
Virgin Islands, National Prohibition Act enforcement 874
Virgin Islands Corporation 697–700
Virgin Islands public works 695
Vocational education, Office of Education 577, 580
Vocational expenses, Federal Prison Industries, Inc 721–722
Vocational Rehabilitation, Office of, Health, Education, and Welfare 581–583
Vocational rehabilitation, Veterans Administration 213–214

W

Wage and Hour Division 743–744
War claims 841
War risk insurance, aviation 385
War risk insurance, maritime activities 411–412
War Shipping Administration liquidation 408
Washington, Booker T., Centennial Commission 157
Washington airport, additional 396
Washington National Airport 393–395
Washington regional mass transportation survey 165–166
Waste treatment works construction grants 587–588
Water, payment from proceeds of sale, Mineral Leasing Act 672
Water, Saline, Office of 637
Water conservation and utilization projects 318
Water supply facilities, San Diego, California 487
Watershed protection 316–317
Weather Bureau 425–427, 857
Weather Control, Advisory Committee on 115
Weeks Act 366
Welfare, child and maternal 614
Welfare and labor M31–M37, 891–892, 925, 928, 934
Welfare services, Bureau of Indian Affairs 649–650
Wherry Act housing 448–449
White House Conference on Children and Youth 613
White House Conference on Education 860
White House Office, The 63
White House Police 803
Wildlife and Sport Fisheries, Bureau of 683–687
Wildlife conservation, Eglin Field Reservation 557–558
Wildlife refuge, upper Mississippi River 685
Wildlife refuges, national 686
Wildlife restoration, Federal aid 686
Wildlife Service, Fish and 682–692, 865
Witnesses, fees and expenses, Justice 713–714, 715
Women's Bureau 742–743
Woodrow Wilson Centennial Celebration Commission 159
Wool Act, National 336
World Health Organization, Eleventh World Health Assembly of 770

Y

Yard fund, Coast Guard 814–815
Youth and Children, White House Conference on 613

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